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The Intercontinental Railway Project

By

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ABSTRACT

The Intercontinental Railway project was one of the most ambitious engineering projects in the history of inter-American relations. Advocates hoped to link the major cities and economic centers of North, Central, and South America together via a ten thousand mile long railroad system that would stretch from New York City to Buenos Aires in South America. In the process, the Intercontinental Railway project, along with other Pan-American initiatives, was to bring order and stability to a region marked by internal warfare, as well as increase communication and commercial ties between the three regions of the Western Hemisphere, solve U.S. socio-economic domestic woes, and nudge European competitors out of the Western Hemisphere. Despite enjoying the support of some of the most wealthy and successful businessmen and politicians of the late nineteenth and early twentieth centuries, the Intercontinental Railway project was never completed. In the end, the Intercontinental Railway project never received the political and financial support it needed because the original vision of constructing the railway via a public/private partnership that was part of the Pan-American movement, as outlined at the First International Conference of American States in 1890, simply did not translate well into practice.

CHAPTER 1

THE INTERCONTINENTAL RAILWAY PROJECT

On 26 February 1890, the United States and seventeen nations from Central and South America agreed to begin preliminary work on the Intercontinental Railway, a ten-thousand mile railway system that would stretch from New York to Buenos Aires and connect the major cities and economic centers of the Western Hemisphere. Without a doubt, the Intercontinental Railway project was one of the most ambitious engineering projects in the history of inter-American relations. U.S. and Latin American officials hoped that the process of planning and constructing an extensive railway system through North, Central, and South America would strengthen their political, cultural, and economic ties and open a new chapter in inter-American relations.

Despite enjoying the support of top U.S. Officials, foreign diplomats, and wealthy and influential businessmen, including Andrew Carnegie, the Intercontinental Railway was never completed. According to the last data collected on the progress of railway construction along the route of the Intercontinental Railway line from 1940, of the estimated 10,400 miles needed to complete the railway line, 2,990 miles of track remains unfinished, with 430 miles remaining between Guatemala and Panama, and 2,560 miles remaining between Panama and Puno, Peru.¹

¹ John Anthony Caruso, "The Pan American Railway," *The Hispanic American Historical Review* 31, no. 4 (November 1951): 638-39.

Many historians have either ignored the Intercontinental Railway project entirely or treated it as just another failed experiment from the First International Conference of American States. The historians who have devoted attention to the history of the Intercontinental Railway have identified the lack of sufficient financial resources as the leading cause of the project's failure. Joseph Smith, for example, argues that the success of the Intercontinental Railway project "depended on financial subsidies from the U.S. Congress" and that when the "funding that materialized proved insufficient and hedged with unworkable conditions," the Pan American initiative "collapsed."² David Healy argues that the delegates at the First International Conference of American States "seemed to endorse the railroad, at least in principle," however, the "Latin American delegates were unwilling to see their governments commit much money to the railroad," themselves, but were "happy to see it built with U.S. Capital."³ Thomas Schoonover, a prominent historian of U.S. foreign relations, depicts the Intercontinental Railway project as just a minor undertaking that failed because "U.S. automotive and highway construction businesses persuaded key domestic groups of the superior virtues of good automobile roads throughout the New World in an effort to expand the market for U.S. cars."⁴ In short, the automobile industry killed the railway project.

The only historian to devote specific attention to the Intercontinental Railway project was John Anthony Caruso, who in 1951 provided a detailed historical narrative of the project from its origin at the 1890 Pan American Conference to its dissolution in

² Joseph Smith, "The First Conference of American States and the Early Pan American Policy of the United States," in *Beyond the Ideal: Pan Americanism in Inter-American Affairs*, ed. David Sheinin, (West Port, CT: Praeger, 2000), 26-27.

³ David Healy, *James G. Blaine and Latin America* (Columbia, MO: University of Missouri Press, 2001), 155.

⁴ Thomas Schoonover, *The United States in Central America, 1860-1911: Episodes of Social Imperialism and Imperial Rivalry in the World System* (Durham, NC: Duke University Press, 1991), 94.

1950. Caruso concluded that the ultimate refusal of the United States Congress to underwrite the Intercontinental Railway was because the U.S. government was “primarily interested, not in the railway, but in the completion of the Panama Canal.” Caruso believes that this was the case because Congress believed the canal “promised to prove a greater stimulus to the economic development of Latin America than any other previous or existing means of transportation.”⁵ In other words, U.S. officials, when faced with a decision to fund rival means of spurring economic development and maintaining its hemispheric influence, chose the Canal. Caruso also argued that in 1928, the Pan American Railway project was “supplanted in the Pan American Conferences by the Pan American Highway.” To support this claim, Caruso pointed out that the “Congress of the United States has so far spent over \$30,000,000” on the building of that Highway.⁶

While they disagreed on the details of who, or what, was to blame for the railway projects failure, all four historians concluded that the lack of sufficient financial resources was a major problem for the Intercontinental Railway project. However, none of the historians were able to articulate exactly what was wrong with the Intercontinental Railway project, including why potential investors and governments chose to invest in the Panama Canal and the Pan-American Highway instead of the Intercontinental Railway project. After closer analysis, it becomes clear that the lack of sufficient financial resources was not the main reason for the project’s demise, but rather a symptom of a much deeper, much more fundamental problem that plagued the railway project throughout its history and which ultimately led to the project’s demise. In the end, the Intercontinental Railway project never received the political and financial

⁵ John Anthony Caruso, “Henry Gassaway Davis and the Pan American Railway” (PhD Dissertation, West Virginia University, 1949), 167.

⁶ *Ibid.*, ii.

support it needed to be completed because the original vision of completing the railway through a joint public/private partnership as part of the Pan-American movement, as outlined at the First International Conference of American States in 1890, did not translate well into practice.

The delegates at the First International Conferences of American States envisioned an intercontinental railway system made up of individual railway lines that would be financed, constructed, and operated by private investors and companies. To encourage railway development within their borders, the individual governments of North, Central, and South America would offer financial assistance via land-grants and government subsidies to interested parties. Finally, the delegates envisioned an international body made up of representatives from each of the nations represented at the Conference, who would ideally make it easier for individual investors and companies to complete their sections of the lines by working out the engineering and political problems ahead of time. Unfortunately, this vision did not translate well into practice, and as a result, the Intercontinental Railway project suffered both financially and politically.

The best example of how the vision did not translate well into practice came during the work of the Intercontinental Railway Commission. The mission of the Intercontinental Railway Commission, the first international body created at the First International Conference of American States in 1890, was to organize and send out preliminary surveying parties to “ascertain the possible routes” for the Intercontinental Railway and “to determine their true length, to estimate the cost of each, and to compare their respective advantages.”⁷ The Commission was to determine whether or not the

⁷ Intercontinental Railway Commission, *A Condensed Report of the Transactions of the Commission and of the Surveys and Explorations of its Engineers in Central and South America, 1891-*

project was feasible from an engineering perspective and advisable from a business perspective. While the construction and operation ultimately fell to the private sector, the costs associated with conducting such an extensive survey of possible routes for the railway through Central and South America instead fell to the individual governments represented on the Commission. Each country was to pay a quota based off of their total population, and that quota would go towards covering the expenses of the commission and paying for the salaries of the commissioners and the engineers sent out into the field. Unfortunately, a handful of Latin American governments refused to pay their quotas, or simply did not send delegates to sit on the Commission, and as a result the Commission did not have enough money to survey the entire length of the route, nor to send out as many survey groups as they originally intended. The only way that the Commission was able to complete its mission was because the U.S. Congress contributed \$245,000 towards the work of the Commission and compensated for the lack of Latin American buy-in.

The Permanent Pan-American Railway Committee, which replaced the Intercontinental Railway Commission in 1901 after the Second International Conference of American States, had similar problems. The mission of the Committee was to “furnish all possible information on the work of the Intercontinental Railway,” and to “aid and stimulate the successful execution of said project as much as possible.”⁸ In short, the Committee was to attract private investors and encourage individual governments to aid

1898, Vol. 1 (Washington: 1898), 16 (hereafter cited as *Report of the Intercontinental Railway Commission*.)

⁸ James Scott ed., *The International Conferences of American States 1889-1928: A Collection of Conventions, Recommendations, Resolutions, Reports, and Motions adopted by the First Six International Conferences of American States, and Documents relating to the Organization of the Conferences*, (New York: Oxford University Press, 1931), 64.

in the construction of railroad lines in their respective countries by collecting and publishing any and all information related to the Intercontinental Railway. The U.S. members of the Permanent Pan-American Railway Committee came to the conclusion early on that they could not depend on Latin American support for the project, and thus focused a majority of their initial efforts in obtaining Congressional and Executive support for the project. When a series of public relations and political blunders cost the Committee the support of both President Theodore Roosevelt and Congress, the U.S. members of the Committee came to the conclusion that the Intercontinental Railway project would not be completed if they continued to simply advocate for the project through the international organization that they had been appointed. After years of frustration, the Committee members began to entertain the idea of forming a syndicate; one that had the power, the authority, and the financial resources to oversee the actual construction of the Intercontinental Railway.⁹ However, despite years of careful planning, the syndicate idea fell apart before it became official because the financial backers considered the times to be much too “unsettled” and therefore thought it better to “await more favorable conditions.”¹⁰

With no hope of forming a syndicate, the members of the Permanent Pan-American Railway Committee carried on with their usual work, including preparing reports for upcoming Pan-American conferences, and seeking support for the railway project through political avenues. However, the outbreak of World War I and the death of Henry Gassaway Davis, the first chairman of the Permanent Pan-American Railway

⁹ Charles M. Pepper to Henry Gassaway Davis, 28 June 1907, *Henry Gassaway Davis Papers, 1823-1916*, Series 9, Box 146, West Virginia and Regional history Collection and Special Collections, West Virginia University (hereafter cited as *Davis Papers*).

¹⁰ Henry Gassaway Davis to Andrew Carnegie, 26 February 1910, *Davis Papers*.

Committee, struck a blow to the Intercontinental Railway project that it would not entirely recover from. The project survived both the war, and the death of its biggest supporter; however the International Conferences that continued to keep the project alive in the international sphere, never addressed the disconnect between their vision of how the project was to be completed, and what the project actually needed, for it to be completed. In the end, their vision did not match the political and economic realities of the late nineteenth and early twentieth centuries, and as a result, the Intercontinental Railway Project never received the political and economic support it needed to be completed from either the public sector, or from the nations represented at the International Conferences of American States.

Naturally, this thesis has been influenced by the writings of several prominent American historians, and attempts to work within the historical framework that they have articulated. The history of the Intercontinental Railway project fits within a larger narrative in which the United States was seeking to expand its economic and political influence around the globe during the second half of the nineteenth century. As William Appleman Williams observed in his famous 1959 work, *The Tragedy of American Diplomacy*, American policymakers since 1898 have assumed that the success and survival of the American way of life depended upon access to foreign markets so that American capitalism could continue to produce goods and maintain domestic employment levels. James G. Blaine, the architect of the modern Pan-American movement, and Hinton Rowan Helper, the self-proclaimed intellectual architect of the Intercontinental Railway project, believed that their initiatives would ultimately open up new markets for the excess U.S. goods that were flooding the domestic marketplace,

thereby putting people back to work in the factories, and thereby alleviating some of the socio-economic strain that some argued had the potential to destroy the American way of life.

Walter LaFeber, a leading historian of inter-American relations, and a student of Williams, similarly frames the years between 1865 and 1913 as a period in which the United States sought economic opportunities around the globe. Instead of seeking “order and stability,” LaFeber argued that the United States instead “placed the greatest emphasis on obtaining economic opportunity and strategic footholds from which they could move to obtain further opportunities.” From this historical framework, the Intercontinental Railway project and the revived and reformed Pan-American movement of James G. Blaine are perfect examples of how the United States sought to expand its economic and political influence around the globe.¹¹

Along these same lines, Thomas Schoonover, another prominent historian of U.S. foreign relations and a proponent of World Systems Theory, correctly identified that “the U.S. vision expressed in the Monroe Doctrine, Manifest Destiny, Pan-Americanism, and the open door aimed to resolve U.S. domestic problems,” not meet Latin American needs.¹² While this thesis does not specifically prescribe to World Systems Theory, Schoonover’s analysis of Blaine’s brand of Pan-Americanism is spot on. After all, in 1886, Blaine argued that, “what we want...are the markets of these neighbors of ours that lie to the south of us.” Specifically, Blaine wanted “the \$400,000,000 annual which today go to England, France, Germany,” and other European countries. From Blaine’s

¹¹ Walter LaFeber, *The Cambridge History of American Foreign Relations, Volume II: The American Search for Opportunity, 1865-1913* (Cambridge: Cambridge University Press, 1993), 60.

¹² Thomas Schoonover, *Uncle Sam’s War of 1898 and the Origins of Globalization*, (Lexington: University of Kentucky Press, 2003), 61.

perspective, “with these markets secured new life would be given to our manufactories, the product of the Western farmer would be in demand,” and most important of all, the “reasons for and inducements to strikers, with all their attendant evils, would cease.”¹³ From Schoonover’s perspective, and mine, Pan-Americanism was just another way for the U.S. to export the “social problem.” This helps explain why there were so much resistance from Latin American countries in embracing the vision of Blaine’s Pan-Americanism, and consequently, the vision of the Intercontinental Railway project.

David Healy, while agreeing with the conclusions of LaFeber and Schoonover as to the real purpose and intention of the Pan-American movement, approaches the writing of Diplomatic History from a different perspective, one that ended up greatly influencing the focus of this thesis. According to Healy, if history is “shaped by vast impersonal forces, conflicting class interests, economic currents, accidents, emotions, and politics,” someone has to actually implement the policies and pushed for certain interests in order to make them important. As such, Healy focuses his work on the individual “historical agents” that actually implemented the policies and which played a part in creating those “vast impersonal forces” that other historians focus so much attention on. As a result, this thesis has attempted to balance the attention it pays to the larger historical narrative that the Intercontinental Railway project was a part of, and the individual “historical agents” that actually shaped the day-to-day history of the Intercontinental Railway project, such as Hinton Rowan Helper, James G. Blaine, Henry Gassaway Davis, and the numerous delegates from the United States and the nations of Central and South America that dictated the work of the Intercontinental Railway Commission and the work of the Permanent Pan-American Railway Committee throughout its eighty-year history.

¹³ LaFeber, *American Search for Opportunity*, 77.

It is also important to recognize though that while James G. Blaine, and other Pan-Americanists had an agenda that benefited the United States when they revived and reformed the Pan-American Movement, and while their agenda greatly shaped the history of both the Pan-American movement and the history of the Intercontinental Railway project, it would be wrong to ignore the contributions or actions of the Latin American nations that participated in their history. As a result, this thesis attempts to portray the people of Latin America, not as idle victims of American imperialism, but as active participants in the shaping of not only their own history, but the history of the early Pan-American movement, and the history of the Intercontinental Railway project.

This thesis breaks the entire history of the Intercontinental Railway project down into three distinct phases. The second chapter of this thesis revolves around the first phase in the history of the Intercontinental Railway project, from roughly 1865 until 1889. The purpose of the chapter is to explore the origin of the railway project and to explain how the project became linked, both in name, and in spirit, with the modern Pan-American movement. Specifically, the chapter argues that the Intercontinental Railway project grew out of the socio-economic chaos of the Long Depression, and became a part of the modern Pan-American movement due to the lobbying efforts of Helper, Blaine, and other politicians who argued that the United States needed to adopt an overseas economic expansionist foreign policy in order to alleviate the social unrest at home.

The third chapter of this thesis revolves around the work of the Intercontinental Railway Commission between 1890 and 1898, and focuses on how Latin American perceptions of the modern Pan-American movement negatively affected the work of the Intercontinental Railway Commission. The purpose of this chapter is to show how the

vision of having a joint public-private partnership that was part of the Pan-American movement did not translate well into practice because the financial and political problems that the Commission faced during this period stemmed from the opposition that several Latin American nations, especially Argentina, had with the U.S.-led modern Pan-American movement.

The third phase in the history of the Intercontinental Railway project revolves around the early work of the Permanent Pan-American Railway Committee, which was created at the Second International Conference of American States in 1901. The purpose of the chapter is to show how the lack of Latin American buy-in to the Pan-American ideals during the second phase of the project's history negatively impacted the work of the Permanent Pan-American Railway Committee, and why ultimately, the U.S. members of the Committee abandoned those Pan-American ideals in an attempt to form a syndicate to finance and the construct the project on their own. The third phase ends though, not with the dissolution of the Permanent Pan-American Railway Committee in 1950, but rather with the death of Henry Gassaway Davis, the first chairman of the Permanent Pan-American Railway Committee, in March 1916. While it is true that the railway project and the Permanent Pan-American Railway Committee survived both the death of its first chairman and the First World War, U.S. support for the project essentially disappeared once Davis passed away, and with him, went any serious attempt to complete the railway.

Many historians have treated the Intercontinental Railway project as just another failed Pan-American initiative, one whose history is either unworthy of scholarly attention or one whose history is easily explained away. Hopefully, this thesis will change this perception, and encourage other historians to re-examine other failed projects

and foreign policy initiatives in U.S history in an attempt to better to understand why these initiatives failed and what lessons can be learned from those failures.

CHAPTER 2

THE THREE AMERICAS RAILWAY

Between 1865 and 1889, the lofty dream and obsession of building a ten-thousand mile long railway through North, Central, and South America, became linked, both in name, and in spirit, with the revived and reformed Pan-American movement of two-time U.S. Secretary of State James Gillespie Blaine. Hinton Rowan Helper, the self-proclaimed intellectual architect of the Intercontinental Railway project, used his political connections, his personal fortune, his less than politically correct (yet always passionate) rhetoric, and his ambition, to make his “Three Americas longitudinal midland double-track steel railway” an integral part of U.S. plans to strengthen its political and economic ties with the other nations of the Western Hemisphere. This chapter will explore the origin of Hinton Rowan Helper’s Three Americas Railway and will explain how the project became linked with Blaine’s Pan-American movement.

Helper’s idea for an intercontinental railway system and Blaine’s Pan-American movement both had their origins in the extraordinary economic growth that took place in the United States during the second half of the nineteenth century and the economic instability and social unrest that naturally followed such unbridled and unchecked economic expansion. Driven by the technological advances of the Second Industrial Revolution, the United States economy rapidly developed from a primarily agriculturally

based economy into a primarily industrialized economy during the second half of the nineteenth century. In 1880, agricultural exports accounted for 84.3 percent of all U.S. exports. By 1900, agricultural exports accounted for two-thirds of all U.S. exports. With the increased industrial production also came an increase in U.S. exports. Between 1860 and 1897, U.S. exports went from a mere \$316 million to \$1.03 billion, a 325 percent increase, and agricultural exports doubled from \$354 million to \$765 million. For the first time in American history the United States economy exported more than it imported, thus reversing almost three hundred years of unfavorably balanced American trade in only thirty-seven years.¹⁴ The reversal of unfavorable trade with the rest of the world, as well as the growth of American industrial production, allowed the United States to hold an eleven percent share of the world's trade by 1913, which was a five percent increase since 1868.¹⁵ By the end of the nineteenth century, the United States was an industrial powerhouse that was capable of competing in markets around the globe.

The idea of a ten-thousand mile intercontinental railway system through North, Central, and South America would not have been possible without the successful completion of the first transcontinental railway line across the continental United States in 1869. The transcontinental line allowed goods from the industrial centers of the eastern seaboard to reach the West Coast and beyond in less than thirty days.¹⁶ As one industrialist put it, “the drills and sheeting of Connecticut, Rhode Island, and Massachusetts and other manufactures of the United States may be transported to China in thirty days {instead of months}: and the teas and rich silks of China, in exchange, come back to New Orleans, to Charleston,...to Philadelphia, New York and Boston in

¹⁴ LaFeber, *The American Search for Opportunity*, 26.

¹⁵ *Ibid.*, 26-27.

¹⁶ *Ibid.*, 5.

thirty days more.”¹⁷ By the end of the century, three more Transcontinental lines would stretch across the continental United States however none of them have been possible without the encouragement of the Federal Government.

The United States Congress used generous land grants and government subsidies to stimulate railroad construction and expand its influence across the western frontier of the continental United States. During the Civil War, the United States Congress passed a series of bills encouraging railroad construction, including the Pacific Railway Acts of 1862 and 1864, across the continental United States.¹⁸ Between 1850 and 1870 the U.S. Government gave 155,000,000 acres of land grants to companies and states, with 108,397,000 acres of land being granted between the four-year period between 1862 and 1866.¹⁹ Government incentives proved so attractive that U.S. railroad companies laid an estimated 239,000 miles of railroad track across the continental United States between 1860 and 1913, which was remarkable considering that the United States only had 30,000 miles of track in 1860.²⁰ Railroad construction proved so affective in spreading U.S. influence across the continental United States that the 1890 U.S. Census declared the western frontier officially closed.²¹

In 1873 the U.S. economy began to feel the effects from a global economic crisis that lasted until 1898, with peaks of severe hardship between 1873 and 1878, 1882 and 1885, and 1893 and 1898. The Long Depression, as it was known, was one of the worst economic depressions to ever hit the United States, with everyone from “industrialists,

¹⁷ Quoted in LaFeber, *The American Search for Opportunity*, 5.

¹⁸ LaFeber, *American Search for Opportunity*, 4-5; Lewis Haney, *A Congressional History of Railways in The United States, Vol. 2. The Railway in Congress, 1850-1877* (Madison, WI: Democrat Printing Company, State Printer, 1910), 13-14.

¹⁹ *Ibid.*, 13-14.

²⁰ LaFeber, *American Search for Opportunity*, 23.

²¹ Frederick Jackson Turner, *The Frontier in American History* (New York: Henry Holt & Company, 1920), 1.

investors, and workers” to “the unemployed, the marginalized, and the outcasts” of American society, being affected.²²

Some economists argued that the rapid expansion of railway construction in the United States actually led to the Panic of 1873. In an 1878 *North American Review* article, Bonamy Price, a Professor of Political Economy at Oxford, argued the United States “had constructed railways with mad eagerness in the wilderness, never stopping to inquire what it was that she was doing” or asking “herself whether she could afford the cost.”²³ Economists G. Lloyd Wilson and Ellwood Spencer agreed, claiming that the panic of 1873, which marked the beginning of the Long Depression “was due partly to the construction of railroads at a pace far in excess of the economic needs of the country, to the over-capitalization of many railroads, and to the over-expansion of credit.”²⁴ Naturally, serious problems arose in the mid-1870s when railroad lines began cutting rates to edge out competing lines. As rates were cut, so too were wages, thus setting up a showdown between laborers and railroad owners.

The Great Railroad Strike of 1877, which was one of the most destructive and widespread labor strikes in U.S. history, came as a direct result of a ten-percent wage cut for railroad laborers along the Baltimore & Ohio Railroad.²⁵ On the evening of July 16, 1877, a handful of firemen and brakemen from Martinsburg, West Virginia walked away

²² Thomas Schoonover, *Uncle Sam's War of 1898 and the Origins of Globalization* (Lexington: University of Kentucky Press, 2003), 58.

²³ Bonamy Price, “The Stagnation of Trade and its Cause,” *The North American Review* 128, no. 271 (June 1879): 592.

²⁴ G. Lloyd Wilson and Ellwood Spencer, “Growth of the Railroad Network in the United States,” *Land Economics* 26, no. 4 (Nov. 1950): 340.

²⁵ “Debs’s Claim is Puerile,” *New York Times* 11 July, 1894. The *New York Times* was staunchly Pro-Management and Anti-Communist in their coverage of labor strikes in the United States. The article attempted to refute the claim by President Debs of the American Labor Union that non-strikers were responsible for any and all destruction done during major labor strikes (such as the Great Railroad Strike of 1877) not union members as others have claimed.

from their posts in protest. In less than a week, the railroad strike had spread from Baltimore to Chicago and the entire economic infrastructure of the United States was at a standstill.²⁶ The violence and destruction prompted President Rutherford B. Hayes to make three separate proclamations over a five-day period ordering rioters and strikers to return to their homes.²⁷ When Hayes' proclamations failed to bring an end to the strike, the President followed through with his threat of using Federal troops to restore order, and ended the forty-five day strike.

The depressed economic conditions in the United States, and the fresh memory of the Great Railway Strike of 1877, prompted Hayes to argue for increased trade with Latin America in his Annual Message to Congress that year. To Hayes, “the long commercial depression in the United States has directed attention to the subject of the possible increase of our foreign trade and the methods for its development” especially “with the States and sovereignties of the Western Hemisphere,” who, according to Hayes, were willing to “reciprocate our efforts in the direction of increased commercial intercourse” with the United States.²⁸ Hayes was not alone in looking to the nations of Central and South America to help alleviate the socio-economic problems at home.

In response to the perceived need to strengthen U.S. – Latin American commercial relations after the Great Railroad Strike of 1877, Hinton Rowan Helper, the

²⁶ J. A. Dacus, *Annals of the Great Strikes in the United States: A Reliable History and Graphic Description of the Causes and Thrilling Events of the Labor Strikes and Riots of 1877* (Chicago: L.T. Palmer, 1877): 31. The strike not only affected railroads, but other industries as well, as can-makers, sawyers, box makers, and canal boatmen joined in on the nation-wide general strike.

²⁷ Rutherford B. Hayes, “Proclamation 236 – Law and Order in the State of West Virginia,” July 18, 1877, available online at <http://www.presidency.ucsb.edu/ws/?pid=68609>; Rutherford B. Hayes, “Proclamation 237 – Law and Order in the State of Maryland,” July 21, 1877, available online at <http://www.presidency.ucsb.edu/ws/?pid=68620>; Rutherford B. Hayes, “Proclamation 238 – Law and Order in the State of Pennsylvania,” July 23, 1877, available online at <http://www.presidency.ucsb.edu/ws/?pid=68631>.

²⁸ Rutherford B. Hayes, First Annual Message to Congress, December 3, 1877, available online at www.presidency.ucsb.edu/ws/index.php?pid=29518.

self-proclaimed intellectual architect of the Intercontinental Railway, envisioned a railway that would stretch from the Behring Strait in Alaska to the southernmost tip of South America.²⁹ Historically, Helper is most widely remembered as the twenty-seven year old author of the politically volatile and incendiary book *The Impending Crisis of the South*, which one biographer argued was “exceeded by no ante bellum publication” in terms of political and social significance, “with the possible exception of Uncle Tom’s Cabin.”³⁰ In *The Impending Crisis*, Helper argued for the immediate abolition of slavery, not out of any love for the African slave population, but because he felt slavery “impeded the progress and prosperity of the South,” and kept the non-slaveholding white population in “galling poverty and ignorance.”³¹ Not surprisingly, Hugh C. Bailey, a biographer of Helper, labeled the North Carolinian as an “abolitionist-racist,” a title that is quite fitting considering his arguments in *The Impending Crisis*.³² However, for the purpose of this paper, Helper’s writings and early advocacy for the construction of an intercontinental railway system through North, Central, and South America are just as relevant, and indeed offer a fuller picture of just how deep-rooted Helper’s racist attitudes went.

Helper was not the only person to claim they were the intellectual architect of the Intercontinental Railway project. Historian John Caruso argues that Francis Thomas, the U.S. minister in Peru between 1872 and 1875, and not Helper, deserved credit for coming

²⁹ “The Great Backbone Road: Helper’s Railway from Alaska to Patagonia,” *New York Times*, May 29, 1881.

³⁰ Hugh C. Bailey, *Hinton Rowan Helper: Abolitionist-Racist* (Montgomery: University of Alabama Press, 1967), 20.

³¹ Hinton Rowan Helper, *The Impending Crisis of the South: How to Meet It* (New York: Burdick Brothers, 1857), 25.

³² Hugh C. Bailey, *Hinton Rowan Helper: Abolitionist-Racist* (Montgomery, AL: University of Alabama Press, 1967), 20; also see Hugh Talmage Lefler, “Hinton Rowan Helper: Advocate of a ‘White America,’” *Southern Sketches*, no. 1, (Charlottesville, VA: Historical Publishing Company, 1935).

up with the idea. To back up his argument, Caruso points to a letter written by Thomas in 1872 in which he pleaded with the State Department to push for the construction of a railroad from the newly completed Southern Pacific Railway in the U.S. to Santiago, Chile.³³ Helper, who served as U.S. Consul in Buenos Aires between 1861 and 1866, refutes Thomas' claim in his 1879 work, *The Oddments of Andean Diplomacy*. In *Oddments*, Helper claims that "since November 1866, scarcely one of my wakeful hours has been free from thoughts" on the subject of building a "longitudinal midland double-track steel railway from a point far north in North America to a point far south in South America." For more than a decade, Helper claims he struggled "constantly and successfully" to exercise "the utmost care never to say anything in positive explanation of the subject," that is, until the publication of *Oddments*.³⁴ Despite Helper's claims, Caruso argues that Thomas was likely the first person to articulate the idea and speculated that Helper had probably received the idea from Thomas when the two had met before Helper began working on *Oddments*. Regardless of who the intellectual architect of an intercontinental railway system through North, Central, and South America was, the Intercontinental Railway project would never have gotten off of the ground had it not been for Helper's passionate interest and sometimes overzealous support for the project.³⁵

³³ John Anthony Caruso, "The Pan American Railway" *Hispanic American Historical Review* 31, no. 4 (Nov. 1951): 608.

³⁴ Hinton Rowan Helper, *Oddments of Andean Diplomacy: and Other Oddments; Including a proposition for a Double-Track Steel Railway from the westerly shores of Hudson Bay to the midway margin of the Strait of Magellan; the two terminal points, measured along the line contemplated, being nearly, if not quite, eight thousand miles apart; Together with an inquiry whether, in view of certain facts of grave international and intercontinental polity and proceedings herein portrayed, the proposed road should not, in all justice and fairness, and in conformity with the highest attributes of republican foresight and vigilance, be deflected so far away from Brazil as to cut her off entirely from its boundless benefits, so long as her antiquated and antagonistic systems of government remains imperial or otherwise monarchial* (St. Louis: W.S. Bryan, 1879), 9-10 (hereafter cited as *Oddments of Andean Diplomacy*).

³⁵ John Caruso, "The Pan-American Railway," *The Hispanic-American Review* 31 no. 4 (Nov., 1951): 610.

Helper's *Oddments of Andean Diplomacy*, published in 1879, justified the need for an intercontinental railway system through North, Central, and South America by pointing out the major political, economic, and social problems that plagued the Latin American societies. In addition to cementing the "everlasting establishment of closer commercial and companionable relations" between the nations of North, Central, and South America, Helper also argues the building of the railway system would serve an important social function in Latin America as well.³⁶ Specifically, Helper argues that the building of the Three Americas Railway could transform Central and South American societies, which he contended, as a whole, were suffering from the existence of a "largely preponderating, idle, vicious and worthless population of negroes, Indians and bi-colored hybrids" who needed to throw off their old lazy ways and adopt the more spirited and driven values of the more civilized white population from the North. In addition, Helper argues that Latin Americans displayed "an almost universal contempt and disdain of every sort of manual labor" which translated into a "general apathy" towards industrial pursuits in agriculture and manufacturing. According to Helper, many Latin Americans turned to a life of crime, corruption, and dancing because they were uneducated and had practically no ambition.³⁷ It did not help, from Helper's perspective that Latin American were under the "complete, intolerant, and fanatical sway of Roman Catholicism" which Helper considered to be the "meanest and most irrational religion ever recognized by any race of white men," aside from "Mormonism and Mohammedanism."³⁸

In addition their apathy towards manual labor, the organization and hierarchy of Latin American societies also prevented the Latin population from reaching their full

³⁶ Helper, *Oddments of Andean Diplomacy*, 9.

³⁷ *Ibid.*, 12-14.

³⁸ *Ibid.*, 12-14.

potential. The worst group in Latin American societies, at least from Helper's perspective, was the small minority of arrogant aristocrats who not only ran a majority of the nations from Central and South America, but used military despotism and corruption to remain in power. Their harsh rule and corruption set the stage for "unnecessary and sanguinary revolutions" which "reproach on the true principles of republican institutions." Also, because a small minority of aristocrats controlled the land and governments of Latin America, and blood, not personal attributes and achievements, formed the basis for holding public office, there existed little regard for the "sacredness of individual and official engagements" which corresponded into "the most scandalous incompetence and malfeasance in public office." As a result of these issues in Latin American societies, Helper argues that they "have millions of square miles of fertile land and precious metals and tropical forests and fruits, and other sources of inexhaustible wealth" but are unable to tap into and reap the benefits from their natural environments.³⁹

Helper's description and characterization of the people of Central and South America was consistent with the general depictions, and stories that North Americans advanced about the region and its people. As James William Park wrote, American perspectives on Latin Americans were guided by "the Black Legend," which was the "common portrait of a slothful, priest-ridden population of inferior, mixed breeds perpetuating the nonproductive ways of the colonial era and stagnating in tropical languor amid undeveloped abundance," as well as other racist perceptions.⁴⁰ The only ways to help them, at least from Helper's perspective, was for the United States to generously and paternalistically assist them in properly developing the natural resources they were

³⁹ Ibid., 12-14.

⁴⁰ James William Park, *Latin American Underdevelopment: A History of Perspectives in the United States, 1870-1965*, (Baton Rouge: Louisiana State University Press, 1995), 33.

wasting due to climate, colonial legacy, and racial makeup.⁴¹ In return for such benevolent assistance, of course, Helper argued that the U.S. would sell to them “at handsomely remunerative profits to ourselves, tens of thousands of carloads of surplus manufactures and other merchantable products” which in and of itself would provide incentive to the uncivilized populations to work harder in order to continue to better their lives and “awaken within them the exquisite delights of self-regulated and rightful unrest, activity and achievement.”⁴²

Immediately after writing *Oddments of Andean Diplomacy*, Helper sponsored an essay contest as a means of garnering public and Congressional support for the Three Americas Railway project. Helper offered \$5,000 of his own money as cash prizes for the top five submissions that were written in “truthful and vigorous and effective advocacy” of his “longitudinal midland double-track steel railway.”

The award-winning first-place essay written by Frank Frederick Hilder, a British-born geographer, soldier, and businessman who was intimately familiar with Latin American policies and its people, offers a snapshot into the mindset of the American business and scientific community in the late 1870s and early 1880s.⁴³ Hilder, like Helper clearly agreed that the over-production theory was the leading cause of the socio-economic troubles in the United States. According to Hilder, “one of the greatest problems that at present affects our national welfare is that of the movement and distribution of the products of labor.” The “modern inventions and improvements in the mechanical arts” have ensured “an ever-increasing and cheapening supply” of not only

⁴¹ Ibid., 33.

⁴² Helper, *Oddments of Andean Diplomacy*, 13-15.

⁴³ J. W. Powell, *Twenty-Second Annual Report of the Bureau of American Ethnology to the Secretary of the Smithsonian Institution, 1900-1901, Part 1* (Washington: GPO, 1904), XL-XLI.

agricultural goods, “but also of every article necessary for the sustenance and convenience of mankind.”⁴⁴ The solution, according to Hilder, was for the U.S. government to “facilitate the distribution of those products and articles, so that the superabundance of one region may remedy the deficiency in another.”⁴⁵ The Three Americas Railway would do just this by opening up new foreign markets “for the purpose of absorbing our constantly increasing accumulation of surplus commodities,” thereby ensuring the “continued prosperity of our producers.” In short, the Three Americas Railway would “be the spring from which will flow...a never-failing stream of wealth and prosperity.”⁴⁶

Hilder, like Helper, also believed that the Three Americas Railway would have a civilizing influence on the destitute populations of the republics of Central and South America. According to Hilder, all of the “jealousy and ignorance,” which had been “nurtured by isolation, bigotry, and intolerance” in the region, would be swept away by the “tides of commerce, civilization, science and art.”⁴⁷ In addition, Hilder believed that “peace and prosperity will take the place of tumult and revolution” in the Southern Republics, “as they learn that construction, and not destruction, should be the work of their national life.” Furthermore, “as new and better elements shall be gradually mingled with the aboriginal and hybrid populations, they will rise in the standard of nations, and enjoy the inestimable benefits of the bounties with which nature has so richly endowed them.” Clearly, the United States would be doing these “aboriginal and hybrid

⁴⁴ Hinton Rowan Helper, *The Three Americas Railway: An International and Intercontinental Enterprise, Outlined in Numerous Formal Disquisitions and Five Elaborate Essays; Strongly Advocating Free and Fast and Full and Friendly Intercommunication Between the Sixteen Adjunctive and Concordant Republics of the New World*, (St. Louis: W.S. Bryan, 1881), 57.

⁴⁵ *Ibid.*, 57.

⁴⁶ *Ibid.*, 58.

⁴⁷ *Ibid.*, 52.

populations” a great service by constructing the Three Americas Railway, not only helping them become civilized and reap the benefits of their natural resources, but also by helping them overcome their natural tendencies and historical backwardness.⁴⁸

Never a one to shy away from an opportunity to make his voice heard, Helper added a preface to *The Three Americas Railway* in which he again laid out the potential economic and political benefits of the railway project for the United States. Specifically, Helper declared that “the grandest of all the grand trunk railways” will not only secure the “rapid and frequent communication with Central and South America,” but it will also “secure to us the bulk of the trade and travel of those naturally rich and magnificent countries.” According to Helper, trade between the United States and Latin America followed the same inefficient route that mail did. Letters and goods on their way to the United States from any Latin American country had to first cross the Atlantic Ocean to Europe since European ships were practically the only ships seen coming out of Latin American harbors and ports. Once in Europe, the letters and goods faced possible delays and even detention by European officials before traveling back across the Atlantic Ocean, to their final destinations in the United States. This, Helper argued, was due to the lack of regular and cheap steamship service between the United States and the Latin American nations. To help reverse the unfavorable trade and flow of goods to Europe, he argued “what we have lost in that respect” should “in great measure be retrieved by an early construction and prudent operation of the proposed Three Americas Railway.”⁴⁹

⁴⁸ Ibid., 52-53.

⁴⁹ Ibid., 4-5.

In addition to constructing the Three Americas Railway, Helper also called on the United States to construct a canal across the isthmus of Central America as soon as possible. Helper believed that the U.S. should push for “the cutting of a ship canal across one of the three isthmuses of Central America, at Darien, at Nicaragua, or at Tehuantepec,” arguing that the prosperity and business profits created by both the Three Americas Railway and the isthmian canal would serve “as effective repressors of the spirit of war, and successful strengtheners of the aspirations of peace.”⁵⁰ Helper’s argument contradicts John Caruso’s claim that the Pan-American Railway and the Panama Canal were in competition with one another. Helper and other early advocates for an intercontinental railway system through North, Central, and South America regarded the railway and the canal as complementary projects that shared the same common goal of expanding U.S. economic, political, and ideological influence throughout the western hemisphere.

While Helper was putting the final touches on the *Three Americas Railway*, James Gillespie Blaine, the newly appointed Secretary of State for the Republican administration of James A. Garfield, was formulating his vision of an expanded U.S. role in Latin American affairs through the revival and reformation of the Pan-American movement.

Blaine hoped to make the Pan-American ideals articulated by Simon Bolivar, the famous South American revolutionary leader who fought in the wars of Latin American Independence against Spain, fit the socio-economic and political needs of the United States during the 1870s and 1880s. The modern Pan-American movement initiated by Blaine in the 1880s was vastly different from the Latin American Pan-American

⁵⁰ Ibid., 5-6.

movement that dated back to 1826. For starters, the early Pan-American movement was decidedly a Latin American affair. The United States, Great Britain, and other European countries sometimes received invitations to attend conferences, but mostly as observers, and never as participants. For Bolivar and the other Latin American leaders who helped organize the Panama Congress in 1826, Pan-Americanism meant tying the nations of Central and South America together via mutual defense pacts and working to preserve the peace amongst themselves so as not to invite outside interference from Spain or other European nations.⁵¹ With these goals in mind, the Panama Congress adopted the Treaty of Perpetual Union, League, and Confederation that was “a permanent pact of confederation to uphold the sovereignty and independence of the confederated states, by which the parties agreed to defend each other against all attacks endangering their national existence.”⁵² However, only four countries, including Colombia, Peru, Mexico, and Central America, sent representatives to the conference, and of these four, only Colombia ratified the treaty once its delegates brought it back home.⁵³ Despite the failures of the Panama Congress in 1826, the idea of Pan-Americanism, and of strengthening ties between the nations of Central and South America, persisted. Over the next fifty years, three additional Inter-American conferences, and several smaller conferences, met in response to some external threat, namely the actions of Spain or the United States. Historian Samuel Inman argued in 1921 that the idea of Pan Americanism persisted, despite its rocky start, because all of the nations of North, Central, and South

⁵¹ International American Conference, *Reports of Committees and Discussions Thereon, Vol. 4, Historical Appendix* (Washington: GPO, 1890), 301.

⁵² Samuel Inman, *Inter-American Conferences 1826-1954: History and Problems* (Washington: University Press, 1965), 10.

⁵³ *Ibid.*, 5.

America share certain common geographical, historical, and political characteristics that naturally tied them together.⁵⁴

Well before Inman, Blaine emphasized the natural ties of geography, culture, and political heritage as he sought to revive the Pan-American movement in 1881. His conceptualization of Pan-Americanism, and what he hoped it would accomplish, was vastly different than the Pan-Americanism of Bolivar and other early Pan-Americanists.⁵⁵ According to historian Joseph Smith, Blaine's Pan-Americanism began "not in a context of inter-American cooperation, but as a function of U.S. political and economic expansionism in the Americas."⁵⁶ For Blaine, Pan-Americanism had more to do with curbing European influence in the Western Hemisphere than it did with mutual cooperation or reviving a form of American brotherhood in the face of an external threat.⁵⁷ In short, Blaine's Pan-Americanism movement was a formal system of strengthening and expanding on the Monroe Doctrine. In order to realize Monroe's vision, the United States needed to overcome the strong economic and political ties European nations shared with the nations of Central and South America, and replace them with U.S. economic and political ties.⁵⁸ If the U.S. could reverse the trade imbalance between itself and the nations of Central and South America, Blaine believed that "new life would be given to our manufactories, the product of the Western farmer

⁵⁴ Samuel Inman, *Problems in Pan-Americanism*, (New York: George H. Doran Company, 1921), 97-98.

⁵⁵ David Healy, *James G. Blaine and Latin America*, (Columbia: University of Missouri Press, 2001), 250-51.

⁵⁶ Joseph Smith, "The First Conference of American States (1889-1890) and the Early Pan American Policy of the United States," quoted in, *Beyond the Ideal: Pan Americanism in Inter-American Affairs*, ed. David Sheinin (Westport: Praeger, 2000), 20.

⁵⁷ Blaine to Arthur, 3 January 1882, quoted in Willis Johnson, *An American Statesman: The Works and Words of James G. Blaine, Editor, Representative, Speaker, Senator, Cabinet Minister, Diplomat and True Patriot*, (Augusta Publishing Company, 1892), 295.

⁵⁸ Healy, *James G. Blaine and Latin America*, 250.

would be in demand,” and “the reasons for and inducements to strikers, with all their attendant evils, would cease.”⁵⁹ In short, Blaine believed that the markets of Latin America offered an opportunity for the United States to solve its socio-economic problems at home. Yet, Blaine feared that this task would be impossible as long as the nations of Latin America were constantly at war with each other, prompting European nations to intervene and expand their influence in the region.⁶⁰

Blaine’s vision of a hemisphere free of Latin American conflicts and consequently a hemisphere free of European influence quickly formed during the eight months that he served as Secretary of State in the Republican administrations of President James A. Garfield and his successor, Chester A. Arthur.⁶¹ Blaine did not have much time to get settled in the State Department though as he inherited several extremely sensitive diplomatic issues in Latin America that required his immediate attention. By the time Blaine assumed leadership of the State Department in March 1881, the bloody War of the Pacific between Chile and Peru and Bolivia had entered its second year, with no end in sight. Several other border disputes between Costa Rica and Colombia, Mexico and Guatemala, and Argentina and Chile, added to the general instability in the region. France even threatened to intervene in order to collect unpaid debt in Venezuela.⁶² From Blaine’s perspective, all of these conflicts and boundary disputes had the potential to invite further European intervention and influence in the region and seriously weaken the

⁵⁹ LaFeber, *The American Search for Opportunity*, 48, 76-77.

⁶⁰ Blaine to Arthur, 3 January 1882, quoted in Willis Johnson, *An American Statesman, the Works and Words of James G. Blaine: Editor, Representative, Speaker, Senator, Cabinet Minister, Diplomat and True Patriot*, (Augusta Publishing Company, 1892), 295.

⁶¹ Healy, *James G. Blaine and Latin America*, 253.

⁶² Allan Peskin, “Blaine, Garfield and Latin America: A New Look,” *The Americas* 36, no. 1 (July 1979): 82.

basic tenets of the Monroe Doctrine.⁶³ Once in office, Blaine put all of his energy into trying to resolve these conflicts as quickly as possible to avoid European intervention.

Blaine's initial efforts to bring the War of the Pacific and the other conflicts to a peaceful and amicable conclusion, not only ended in failure, but ended up hurting Blaine politically.⁶⁴ To make matters worse, President Garfield was shot and seriously wounded on 2 July 1881, leaving him incapacitated and unable to conduct official business for another eleven weeks before he succumbed to an infection on 10 September 1881.⁶⁵ Garfield's incapacitation left Blaine in an awkward position for those eleven weeks because he could not proceed with any specific diplomatic endeavors but needed to react in order to prevent European countries from taking advantage of the conflicts in Central and South America.

The ascendency of Vice President Chester A. Arthur to the Presidency spelled disaster for Blaine and his Peace Conference. Arthur was a member of the anti-Blaine faction of the Republican Party and lieutenant of New York State Republican boss Roscoe Conkling, Blaine's nemesis.⁶⁶ Not surprisingly, on 22 September 1881, Blaine informed the new President he intended to resign his position as Secretary of State. However, Blaine likely saw an opportunity to further his political career and restore his reputation after a series of political attacks on his handling of the Chilean and Peruvian

⁶³ Ibid., 82; Walter LaFeber, *American Search for Opportunity*, 75.

⁶⁴ Russel Bastert, "A New Approach to the Origins of Blaine's Pan American Policy," *The Hispanic American Historical Review* 39, no. 3, (August, 1959), 380-81. For a more detailed explanation of Blaine's early attempts to resolve the War of the Pacific and the boundary dispute between Guatemala and Mexico, and how his actions hurt him politically, see Healy, *James G. Blaine and Latin America*, 17-99.

⁶⁵ Healy, *James G. Blaine and Latin America*, 20.

⁶⁶ Ibid., 120.

peace talks, so he delayed his departure and agreed to remain in the State Department until December.⁶⁷

Blaine made the most of his remaining time in the State Department, as he used these three extra months to fully develop his vision of a hemisphere free of wars and European interference, and lay the framework for what would become his lasting legacy: a revived and reformed Pan-American movement. Before Blaine could address the trade imbalance and communication problems that Helper and Hilder discussed, Blaine needed to first address the political instability in the region. As a result, Blaine invited the nations of Central and South America to attend a Peace Congress scheduled for 24 November 1882 in Washington.⁶⁸

Blaine was especially concerned with Latin American perceptions of the United States and tried to dispel their fears and suspicions before they even accepted the invitation to attend the Peace Congress. According to a dispatch Blaine sent to the Thomas Osbourn, the U.S. Minister in Argentina, the sole purpose of the Congress was to consider and discuss the ways of “permanently averting the horrors of cruel and bloody combat between countries.”⁶⁹ Blaine emphasized that the United States would “not assume the position of counseling, or attempting, through the voice of the congress, to counsel any determinate solution of existing questions which may now divide any of the countries of America.” In fact, Blaine made it quite clear that “it is far from the intent of this government to appear before the congress as in any sense the protector of its

⁶⁷ Ibid., 120-121.

⁶⁸ Ibid., 94-95.

⁶⁹ Blaine to Thomas Osborn, 29 November 1881, United States Department of State, *Foreign Relations of the United States: Index to the executive documents of the House of Representatives for the first session of the forty-seventh congress, 1880-'81*, (Washington: GPO, 1881-1882), available online at <http://digital.library.wisc.edu/1711.dl/FRUS.FRUS188182v01>, 13-15.

neighbors or the predestined and necessary arbitrator of their disputes.” Rather, Blaine continued, “the United States will enter into the deliberations of the congress on the same footing as the other powers represented,” and will listen to any proposal, even if it runs counter to U.S. interests.⁷⁰

Less than a month after Blaine left the State Department, Arthur, and his new Secretary of State Frederick Frelinghuysen began the process of reversing Blaine’s policies so as to distance themselves from the former Secretary of State, who was being investigated by Congress over his South American diplomacy.⁷¹ In a dispatch sent on 9 January 1882, Frelinghuysen informed William Trescot, one of the members of the special envoy sent by Blaine to bring the War of the Pacific to a close, if the U.S. actually held the Peace Congress it would “create jealousy and ill will” amongst their European allies. Furthermore, Frelinghuysen argued “the relations of the republics of this hemisphere” could “be found to be so well established,” he believed “little would be gained” by holding a Peace Congress at this time.⁷²

On 3 January 1882, Blaine wrote President Arthur in a last ditch effort to convince the President to not revoke the invitations for the Peace Congress. In Blaine’s letter, the former Secretary of State admitted he had read Frelinghuysen’s dispatch and was “greatly surprised” when he “found a proposition looking to the annulment of [the] invitations” he had just sent in November. Blaine was especially surprised when he read that Frelinghuysen was considering rescinding the invitations because “we might offend

⁷⁰ Ibid., 13-15.

⁷¹ Healy, *James G. Blaine and Latin America*, 108-119. David Healy provides a detailed analysis of Blaine’s Congressional Investigation over the Landrau claim and the Peruvian peace treaty.

⁷² Frederick Frelinghuysen to William Trescot, 9 January 1882, United States Department of State, *Foreign Relations of the United States: Index to the Executive Documents of the House of Representatives for the second session of the forty-seventh Congress, 1882-'83*, (Washington: GPO, 1882-1883), available online at <http://digital.library.wisc.edu/1711.dl/FRUS.FRUS188283v01p1>. I: 57-58,

some European powers if we should hold in the United States a congress of the ‘selected nationalities’ of America.” Blaine begged Arthur not to bow to European pressure on this issue, and argued he could not see how any European government could feel “jealousy and ill-will” because the United States was attempting to insure a lasting peace in Central and South America. The only way that European claims of “jealousy and ill-will” made sense to Blaine, was if the European countries wished for the Latin American states to continue to be embroiled in war so that they could exploit the situation for their own benefit. Finally, Blaine argued that revoking the invitations “for any cause would be embarrassing” but “to revoke it for the avowed fear of ‘jealousy and ill-will’ on the part of European powers would appeal as little to American pride as to American hospitality,” and would essentially destroy the Monroe Doctrine.⁷³

Blaine then turned his focus away from the political aspect of the proposed Peace Congress and argued that there were potential economic benefits for the United States if Arthur decided not to revoke the invitations.⁷⁴ Blaine pointed to the “deplorable” trade conditions that existed between the United States and the Latin American Republics, specifically, the \$120,000,000 trade imbalance, which, according to Blaine, was “a sum greater than the yearly product of the gold and silver mines in the United States.”⁷⁵ Blaine admitted that the holding of a Peace Congress would not necessarily have changed “the currents of trade,” however he did believe that it would have begun the process of strengthening U.S. ties with the other American Republics. Specifically, Blaine argued that holding a Peace Congress would promote “law and order” in a region that badly needed it and would have led to increased production and increased consumption on the

⁷³ Blaine to Arthur, 3 January 1882, quoted in Johnson, *An American Statesman*, 295.

⁷⁴ *Ibid.*, 296-97.

⁷⁵ *Ibid.*, 296-97.

part of the Latin populations. From the increased production and consumption, “demand for articles which American manufacturers can furnish with profit” would have increased, thus alleviating some of the tension in the domestic marketplace. In the end, Blaine argued the Peace Congress would have been a “friendly and auspicious beginning in the direction of American influence and American trade in a large field which we have hitherto greatly neglected,” and which “has been practically monopolized by our commercial rivals in Europe.”⁷⁶

Despite Blaine’s plea, Arthur and Frelinghuysen followed through with their plans to revoke the Peace Congress invitations to distance themselves from the embattled Secretary of State. Instead of revoking the invitations outright, Arthur referred the matter to Congress instead, thus putting the fate of the Peace Congress in Congress’ hands. On 18 April 1882, Arthur delivered a special message to Congress claiming “in giving this invitation I was not unaware that there existed differences between several of the Republics of South America” including the disputes between “Chile and Peru, between Mexico and Guatemala, and between the States of Central America.” However, Arthur claimed he had hoped that these conflicts would have resolved on their own before the Peace Congress was scheduled to meet; but his hopes had not been realized. Arthur was “glad to have it in my power to refer to the Congress of the United States...the propriety of convening the suggested international congress,” so that “I may thus be informed of its views.” Arthur hoped that Congress would “inform me by resolution or otherwise of its opinion in the premises” and reassured Congress that “my action will be in harmony with

⁷⁶ Ibid., 296-97.

such expression.”⁷⁷ In short, Arthur pushed the responsibility of revoking the invitations to Congress, which could have been accomplished either by passing a resolution, or by inaction. Congress did not take the issue up at all, and after months of inaction, Frelinghuysen finally sent out official letters revoking the invitations on August 9, 1882. In the letters, Frelinghuysen argued that Arthur had no choice but to revoke the invitations due to Congress’s inaction, and “postpone the projected meeting until some future day.”⁷⁸

Blaine was quick to respond and criticize the administration in a widely circulated article published in the *Chicago Weekly Magazine* 16 September 1882. Entitled “The Foreign Policy of the Garfield Administration,” Blaine used the article to not only defend his policies and criticize the Arthur administration for reversing them, but he also took the opportunity to fully hash out his vision for the Western Hemisphere. From Blaine’s point of view, “the foreign policy of President Garfield’s administration had two principle objects in view.” The first was “to bring about peace and prevent future wars in North and South America” and the second was “to cultivate such friendly, commercial relations with all American countries as would lead to a large increase in the export trade of the United States, by supplying those fabrics which we are abundantly able to compete with the manufacturing nations of Europe.” Blaine admitted though that in order to “attain the second object, the first must be accomplished,” as peace was “essential to commerce” as it “is the very life of honest trade” and is “the solid basis of international prosperity.” Therefore, “it would be idle to attempt the development and enlargement of

⁷⁷ Chester A. Arthur, Special Message to Congress, 18 April 1882, online at <http://www.presidency.ucsb.edu/ws/index.php?pid=68724&st=Congress&st1=>

⁷⁸ Frelinghuysen to Thomas Osbourn, 9 August 1882, quoted in International American Conference, *Reports of Committees and Discussions Thereon*, Vol. 4 (Washington: GPO, 1890), 272.

our trade with the countries of North and South America if that trade were liable at any unforeseen moment to be violently interrupted by such wars” such as the War of the Pacific.⁷⁹

Blaine went on to describe the people of Latin America in terms similar to Helper and Hilder. Specifically, Blaine called the Latin American people “a brave people,” who were prone to a “hot temper, quick to take affront, and ready to avenge a wrong whether real or fancied.” Because of this, Blaine argued, “the Spanish-American States are in special need of the help which the Peace Congress would afford them” as “they required external pressure to keep them from war,” and “when at war they required external pressure to bring them to peace.” The need for a Peace Conference then naturally grew out of the realization that instead of a “friendly intervention here and there,” such as “patching up a treaty between two countries today,” and then “securing a truce between two others tomorrow,” it had become apparent to President Garfield that “a more comprehensive plan should be adopted if war was to cease in the Western Hemisphere.” Furthermore, by revoking the invitations for the Peace Conference, Blaine argued that the Arthur administration had missed an opportunity to “turn their attention to the things of peace” and to “the continent,” who’s “undeveloped wealth...might have had a new life given to it,” and “a new splendid career opened to its inhabitants.”⁸⁰

Blaine also believed that “it was evident that certain European powers had in the past been interested in promoting strife between the Spanish-American countries” for their own personal gain. To avoid future European interference in Inter-American disputes, Blaine believed the United States needed to actively seek ways to prevent wars

⁷⁹ James G. Blaine, “The Foreign Policy of the Garfield Administration,” quoted in Walter Vail ed., *The Words of James G. Blaine on the Issues of the Day* (Boston: D.L. Guernsey, 1894), 201-02.

⁸⁰ *Ibid.*, 202, 205-06.

in the hemisphere. If the United States did not at least attempt to help develop a system of arbitration, Blaine believed that the U.S. was essentially giving European nations a free reign in the Western Hemisphere and weakening the Monroe Doctrine. Blaine declared that “our own government cannot take the ground that it will not offer friendly intervention to settle troubles between American countries,” unless it “freely conceded to European governments the right of such intervention,” and thereby “consents to a practical destruction of the Monroe doctrine” and the “unlimited increase of European and monarchical influence on this continent.”⁸¹ In the end, Blaine argued no harm could have resulted from the assembling of the Peace Congress. Not only would it “have been a signal victory of philanthropy over selfishness of human ambition,” and “a complete triumph of Christian principles as applied to the affairs of nations,” but the Peace Congress would also have “reflected enduring honor on our own country and would have imparted a new spirit and a new brotherhood to all America.”⁸²

Blaine’s arguments did not convince Arthur to re-issue invitations for a Peace Congress; however, Helper continued to lobby members of Congress to push for establishing stronger commercial and political ties with Latin America while Blaine was out of the State Department between 1881 and 1889. Helper actually began advancing Pan-American ideals in early January 1880, well before Blaine became Secretary of State when Helper convinced Illinois Senator David Davis, a friend of his, to introduce a bill in the Senate calling for the establishment of closer commercial relations between the nations of the Western Hemisphere.⁸³ The bill authorized and requested the President to

⁸¹ Blaine, “The Foreign Policy of the Garfield Administration,” 202-203.

⁸² *Ibid.*, 213-14.

⁸³ Thomas McGann, *Argentina, the United States, and the Inter-American System 1880-1914* (Cambridge: Harvard University Press, 1957), 108.

invite the nations of Central and South America to send delegates to Washington D.C. for a convention that would meet in June 1880. The purpose of the convention, according to the bill, was to “form a basis for the organization of an international administration” that would be entrusted with the sacred “duty of carrying forward the work of constructing” the Three Americas Railway and to “adopt such measures as may be considered the most practical to carry forward the proposed work in the interest of peace, commerce, and mutual prosperity.”⁸⁴

The Davis bill marked two major milestones in the history of the Intercontinental Railway project. First, the introduction of the Davis bill marked the first time the ideas of holding an international conference for the American republics and constructing an intercontinental railway system in the Western Hemisphere were articulated by a high-ranking U.S. official. Second, the Intercontinental Railway Commission, which was created at the First International Conference of American States to determine the practicality of building an intercontinental railway system, actually dated its existence back to the Davis bill, despite the fact it never made it out of committee.⁸⁵ In this sense, the Davis bill was a significant turning point in the history of the Intercontinental Railway project.

Helper recognized Congress would not act without having more information about the conditions in Central and South America. Two years later, Helper convinced Francis Cockrell, a Democratic Senator from Missouri, to introduce a bill in the Senate calling on the President to appoint a “special commissioner” to travel through Central and South America in order to “obtain all facts and information that could be utilized in

⁸⁴ International American Conference, *Reports of Committees and Discussions Thereon*, Vol. 4 (Washington: GPO, 1889-1890), 294.

⁸⁵ *Report of the Intercontinental Railway Commission*, 10.

extending friendly and commercial intercourse between them and the United States.” In addition, the commissioner was to “ascertain the disposition and purposes of the inhabitants of the several countries” regarding “railway intercommunication.”⁸⁶ Helper hoped if Congress appointed a special commissioner to travel through Central and South America to gather first-hand intelligence about railroad communication in the region, and then return to the United States with a favorable report, Helper might be able to convince Congress to pass a bill similar to the Davis Bill, which specifically pushed for the construction of the Three Americas’ Railway. On the same day Cockrell introduced the “special commissioner” bill, Senator John T. Morgan of Alabama reintroduced the Davis bill in the Senate. In the end, neither the Cockrell bill, nor the Morgan bill, ever made it out of committee; however Helper would continue to lobby Congress on the project’s behalf.⁸⁷

When the Davis and Cockrell bill’s failed to make it out of committee, Helper again changed tactics. On 3 March 1884, Helper convinced Francis Cockrell to propose an amendment to the Diplomatic and Consular Appropriation Bill calling on the President to appoint three commissioners “to visit the principle countries of Central and South America for the purpose of collecting information looking to the extension of American trade and commerce, and the strengthening of friendly and mutually advantageous relations between the United States and all the other American nationalities.” Oddly enough, the Senate Foreign Relations Committee returned to the Senate with a favorable report on the Cockrell amendment and suggested it be referred to the Committee on

⁸⁶ Ibid., 10.

⁸⁷ International American Conference, *Reports of Committees and Discussions Thereon*, Vol. 4, 294-96; *Report of the Intercontinental Railway Commission*, 10-11.

Appropriations for further discussion relating to the amount needed for such a commission.

As further proof the reversal of Blaine's early Pan-American efforts was strictly political, the Senate Foreign Relations Committee attached a report from Secretary of State Frederick Frelinghuysen to their favorable report on the Cockrell Amendment, dated 26 March 1884, showing Frelinghuysen agreed with Blaine's vision for U.S.-Latin American relations. In the report, Blaine's successor admitted he was "thoroughly convinced of the advisability of knitting closely our relations with the States of this continent" and "no effort on my part shall be wanting to accomplish a result so consonant with the constant policy of this country and in the spirit of the Monroe Doctrine," which, according to Frelinghuysen, "recognizes the common interest of the States of North and South America." The only thing that set Frelinghuysen apart from Blaine was Frelinghuysen thought it was necessary to determine "the views of the States which are to be parties to the Conference" regarding their "wishes and aims" so the "scope and purpose of the congress" could be "defined and outlined in the invitation." Frelinghuysen simply wanted to hash out the details of the Congress before hand and to take the time to determine what the Central and South American nations wanted and needed, so the agenda of the Congress could reflect their needs and wants.⁸⁸ In this sense, Blaine and Frelinghuysen both wanted to strengthen the commercial and political ties between the United States and the nations of Central and South America; they simply had differing opinions on how to go about accomplishing it.

⁸⁸ International American Conference, *Reports of Committees and Discussions Thereon*, Vol. 4, 298-302.

Frelinghuysen, and to an extent Helper, got their wish as Congress passed a bill three months later on 7 July 1884 authorizing President Arthur to appoint three commissioners to “ascertain the best modes of securing more intimate international and commercial relations between the United States and the several countries of Central and South America.”⁸⁹ Ironically, Frelinghuysen’s diplomatic instructions to the commissioners echoed Blaine’s three years prior. Frelinghuysen made it clear their “primary duty” was to convince the Latin American nations “our aims are devoid of all ulterior purpose of material or political aggrandizement,” and that “we hold out to them the hand of good-fellowship and not that of controlling power.” Frelinghuysen also stressed that we have no “less respect for their inherent rights than we expect for our own.” As such, “the first step is to approach those states and ascertain their views and needs, and to give careful consideration to their wishes and aims.”⁹⁰ In addition, Frelinghuysen informed the Commissioners their report would “have an important influence” in determining whether or not an international conference of the several states of Central and South America, as outlined in the Cockrell Amendment, would take place.⁹¹

The Commissioners returned to the United States with a favorable report for both the Three Americas Railway and the holding of an international conference for the American Republics.⁹² Specifically, the Commissioners “recommended that an invitation

⁸⁹ Ibid., 308-09.

⁹⁰ Frederick Frelinghuysen to George Sharpe, Thomas Reynolds, and Solon Thacher, 27 August 1884, in House, *Reports of the Commission appointed under an Act of Congress approved July 7, 1884*, 49th Cong., 1st sess., 1884, Ex. Doc. 50 (Washington: GPO, 1886), 6 (hereafter cited as *Reports of the Commissioners*).

⁹¹ Ibid., 11.

⁹² Commission to the Central and South American States, “Final Report of Commissioners Thacher and Curtis,” 1 October 1885, in *Reports of the Commissioners*, 21. Thomas Reynolds, one of the

be extended by the United States to the several other Governments of America to join at Washington in a conference to promote commercial intercourse and to prepare some plan of arbitration.” According to the Commissioners, the nations of Central and South America stood “ready to respond heartily to our call for such a convention,” which the Commissioners thought the United States should host.⁹³ If held in the United States, the Commissioners recommended that the United States take the opportunity to familiarize the delegates of the Central and South American nations with our “marvelous economies, politics, industry, education, and religion” from which “our greatness has sprung.”⁹⁴

The observations of the Commissioners regarding the Three Americas Railway project were quite astute and even prophetic in some respects. The Commissioners bought into the idea the railway line between Mexico City and Panama could be completed with “little trouble,” and picked up on the fact that no one in South America “seemed to take any interest in the project” at all. The only South American country to show any interest in the project was Argentina, however the Argentine President made it clear that “his country would do its duty in the undertaking by pushing a railroad northward into Eastern Bolivia,” but nothing more. In addition, the Commissioners articulated what would become a U.S. mantra regarding the project by stressing the United States would benefit from the completion of the northern section of the proposed railway line through Central America, while dismissing the importance of the route

Commissioners, had to return home to the United States halfway through the trip, so Thacher and Curtis submitted a separate report with their observations.

⁹³ Ibid., 32-33.

⁹⁴ Ibid., 33.

through South America, which, they argued, would be completed once the northern section was complete.⁹⁵

In the end, the Commissioners agreed with the arguments of Helper and Hilder regarding the political and economic benefits of the Three Americas Railway. They acknowledged the Three Americas Railway appeared “stupendous and almost impossible,” but they believed that given time, the project would become a reality. Once finished, the railway would be instrumental in opening up “vast regions of natural wealth” for both the United States and the Latin American nations through which it would run, and cement the “peoples of the western hemisphere” in “bonds of amity and union.” To encourage the Three Americas Railway project, the Commissioners recommended that the enterprise “be brought to the attention of our representatives in the different countries affected by it, to the end that all possible information relating to it may be gathered and preserved.” After all, the Commission felt that “the more the enterprise is discussed, the more important, and we hope the more feasible, it will appear.”⁹⁶

While the Latin American Commissioners were traveling through Central and South America, President Arthur was also trying to tackle the question of what made the current depression different from other depressions that the United States had experienced, and what course of action the Arthur administration should take to remedy the situation. On 27 June 1884, President Arthur, with bi-partisan support in both houses, created the Bureau of Labor Statistics whose purpose was collect information so as to better understand the lives of working men and women and to provide “the means of

⁹⁵ Commission to the Central and South American States, “Final Report of Commissioners Thacher and Curtis,” 1 October 1885, *Reports of the Commissioners*, 30-31.

⁹⁶ *Ibid.*, 30-31.

promoting their material, social, intellectual, and moral prosperity.”⁹⁷ Within a year of being created, the Bureau of Labor Statistics, under the direction of Commissioner Carroll Wright, organized and conducted an exhaustive comparative research project into the causes of the major economic crises, depressions, and panics that had affected the United States, Great Britain, France, Belgium, and Germany dating back to 1837. Wright’s findings were compiled in his First Annual Report of the Commissioner of Labor, which was submitted to Arthur’s successor, Grover Cleveland in March 1886.

Wright and his colleagues found that the answer to the question of what caused industrial depressions depended largely on who was being asked and what their profession was.⁹⁸ In addition, Wright and his team of economists also concluded there existed enough statistical evidence to argue that a combination of factors “worked to produce the present industrial depression in this country,” including falling prices, technological advances, over-production, the variation in the cost of production, the variation in the rates of wages, speculative railroad building, crippled consuming power or under-consumption, and tariff inequalities.⁹⁹ The most interesting thing to come from Wright’s report though was the list of suggested “remedies” compiled by Wright and his team after reviewing testimony from three separate Congressional hearings that focused on the causes of depression. Almost all of the remedies brought up at the Congressional hearing required the action of the federal government including placing restrictions on immigration, writing laws to prevent speculating, placing restrictions on the number of

⁹⁷ Jonathan Grossman, “The Origin of the U.S. Department of Labor,” *Monthly Labor Review* (March 1973), from United States Department of Labor, <http://www.dol.gov/oasam/programs/history/dolorigabridge.htm>

⁹⁸ Carroll Wright, *The First Annual Report of the Commissioner of Labor, March 1886: Industrial Depressions* (Washington: GPO, 1886), 76 (hereafter cited as *First Annual Report of the Commissioner of Labor*).

⁹⁹ *Ibid.*, 291, 252. The only argument that they could not find any statistical evidence to support was the argument that the national banking system was to blame for the industrial depressions.

land grants to corporations, creating a system of arbitration to settle “industrial difficulties,” and currency reform, to list a few.¹⁰⁰

Finally, after years of debate, there was movement in Congress on both the railroad and Pan-American Conference front. On 4 January 1888, James McCreary, a Democratic Representative from Kentucky, introduced a bill in the House of Representatives that the House Committee on Foreign Affairs finally reported favorably on. On 29 February 1888, the House passed the McCreary bill, which authorized the president to arrange for an International American Conference and sent it to the Senate for approval.¹⁰¹ The Senate Committee on Foreign Relations killed the bill though, but William Frye, a Republican Senator from Maine, substituted his own bill and introduced his version in the Senate on 21 March 1888. The following day, the Senate passed the Frye version of the McCreary bill and sent it to a committee on conference. After the first attempt at conference failed, the Senate approved a new bill (one that was sure to pass) and sent it to both houses where it was duly passed on 10 May 1888. Two weeks later, after eight years of failed attempts, President Benjamin Harrison signed the bill into law on 24 May 1888.¹⁰²

The new law was similar to the Davis bill Helper helped draft back in 1880. Specifically, the law authorized the President of the United States to “arrange a Conference between the United States of America and the republics of Mexico, Central and South America, Hayti, Santo Domingo, and the Empire of Brazil.”¹⁰³ The conference, which was officially called the First International Conference of American

¹⁰⁰ Ibid., 264-269.

¹⁰¹ International American Conference, *Reports of Committees and Discussions Thereon*. Vol. 4: Historical Appendix. (Washington: GPO, 1890), 375.

¹⁰² *Report of the Intercontinental Railway Commission*, 10-15.

¹⁰³ Ibid., 13-15.

States, was scheduled to convene in Washington D.C. on 2 October 1889, for the “purpose of discussing and recommending for adoption” a “plan of arbitration for the settlement of disagreements and disputes.” In addition, the conference was to meet to consider any and all “questions relating to the improvement of business intercourse and means of direct communication” between the nations of North, Central, and South America, and to “encourage such reciprocal commercial relations as will be beneficial for all,” and to “secure more extensive markets for the products of each of said countries.”¹⁰⁴ The construction of an intercontinental railway system through North, Central, and South America was one of the topics the Conference intended to discuss as a way to encourage closer commercial relations between the American republics.

The first phase in the history of the Intercontinental Railway project then came to a close with the Three Americas Railway of Hinton Rowan Helper being fully adopted into the revived and reformed Pan-American movement of James Gillespie Blaine. Instead of being known as the Three Americas Railway, the railway project would be known as the Intercontinental Railway. The scope of the railway line also changed in the adoption process. Helper originally envisioned a Three Americas Railway line that stretched from the Behring Strait to Cape Horn, with the possibility of connecting to railroad lines in Asia, Europe, and beyond. The Intercontinental Railway Commission on the other hand hoped to use previously existing connecting New York and Buenos Aires.

The members of the Intercontinental Railway Commission and James G. Blaine tried to distance themselves from Helper and other early advocates. To begin with, Blaine snubbed Helper by not appointing him to represent the United States on the Intercontinental Railway Commission, despite his previous advocacy and familiarity with

¹⁰⁴ Ibid., 14.

the railway project. The Intercontinental Railway Commission also failed to mention Helper at all in the “historical sketch of the events leading up to the formation of the Intercontinental Railway Commission” or in the section in their report on the “legislation and proposed legislation relating to the International American Conference.”¹⁰⁵ Of the 1,884 pages of text and tables that made up the multi-volume Report of the Intercontinental Railway commission, the report only mentioned Hinton Rowan Helper once, in a single sentence, that read “this summary would hardly be complete without the remark that Messrs. Hinton Rowan Helper and John Arthur Lynch have always evinced a great interest in an intercontinental railway, and at an early date wrote and spoke in favor of such an enterprise.”¹⁰⁶ This was hardly the credit and thanks that Helper deserved; however it is understandable that Blaine and the other delegates wanted to distance themselves from Helper considering that Helper’s *The Impending Crisis of the South* had ultimately fanned the flames of civil war not twenty years earlier. Nevertheless, the Intercontinental Railway project would never have become a part of the revived and reformed Pan-American movement of James G. Blaine had it not been for the determined and affective lobbying efforts of Hinton Rowan Helper.

¹⁰⁵ *Report of the Intercontinental Railway Commission*, 7-14.

¹⁰⁶ *Ibid.*, 163; *Ibid.*, 160-163. Lynch claimed that he came up with the idea for an intercontinental railway system sometime during the 1880s. The only mention of him though in the historical record is a New York Times article dated April 23, 1899. The article mentions that Helper was refuting Lynch’s claim via a newspaper article in which he explains he came up with the idea of an intercontinental railway system in 1866 while he was on his way back from Buenos Aires. “National Capital Topics” *New York Times*, April 23, 1899.

CHAPTER 3

THE INTERCONTINENTAL RAILWAY

The second phase in the history of the Intercontinental Railway project began when the general body of the First International Conference of American States adopted the report of the Committee on Railroad Communication on 26 February 1890. The Committee on Railway Communication, which consisted of eighteen delegates representing seventeen different nations, was to “consider and report upon the subject of railway, postal, and telegraphic communications” between the nations represented at the Conference.¹⁰⁷ After months of research and discussion, the Committee concluded that a railroad connecting all or a majority of the nations represented at the Conference would lead to the development of more cordial relations between them, and to the growth of their material interests.¹⁰⁸ The Committee therefore recommended the construction of an intercontinental railway line connecting the major cities and economic centers of the Western Hemisphere, with feeder lines branching off to connect those cities and other important geographical areas that could not be incorporated into the main trunk line.¹⁰⁹ In order to reduce the cost of the enterprise, the Committee recommended that existing railway lines be incorporated into the route and that all materials necessary for the

¹⁰⁷ International American Conference, *Reports of Committees and Discussions Thereon, Vol. 1* (Washington: GPO, 1890), 62. Andrew Carnegie and Henry Gassaway Davis represented the United States at the Conference, the only country that had two representatives on the Committee of Railroad Communication.

¹⁰⁸ *Report of the Intercontinental Railway Commission*, 16.

¹⁰⁹ International American Conference, *Reports of Committees and Discussions Thereon, Vol. 1* (Washington: GPO, 1890), 93.

construction and operation of the remaining railway lines be exempt from import duties.¹¹⁰

The Committee on Railroad Communication intended the Intercontinental Railway enterprise to be financed by private investors, managed by private companies, and built for profit. The report recommended all expenses related to the construction, management, and operation of the Intercontinental Railway line be the responsibility of the “cessionaires,” or whoever owned the rights to the individual railway lines that made up the Intercontinental Railway enterprise. The Committee did recommend individual governments assist in the construction of railroad lines in their respective countries by offering attractive subsidies, land grants, and low-interest government guarantees to interested investors. Ultimately, the responsibility of financing and building the Intercontinental Railway fell to the private sector.¹¹¹

The Committee recognized the Intercontinental Railway project needed a political component that officially tied the railway enterprise to the Pan-American movement. The Committee therefore recommended the creation of an international railroad commission, later named the Intercontinental Railway Commission, made up of as many as three representatives from each nation of the Western Hemisphere. The primary purpose of the Intercontinental Railway Commission was to explore all possible routes for an intercontinental railway line, estimate the cost of construction as well as the length of each route, and determine whether each route was feasible from an engineering perspective and advisable from a business perspective.¹¹² To further strengthen the ties between the Intercontinental Railway project and the Pan-American movement, the

¹¹⁰ Ibid., 94.

¹¹¹ Ibid., 93-94.

¹¹² *Report of the Intercontinental Railway Commission*, 16.

Committee also recommended that the various governments represented on the Intercontinental Railway Commission share the expenses related to the preliminary work of the railway enterprise. Specifically, the report recommended that each government would pay a quota, “in proportion to population according to the latest official census” data, or, if no such data existed, “by agreement between their several Governments.”¹¹³ In doing so, the financial well-being of the Intercontinental Railway Commission, and ultimately the future of the entire Intercontinental Railway project, rested on how willing, and how able, the various governments of Central and South America were to invest their time and money into advancing the goals of Pan-Americanism.

Unfortunately for those associated with the Intercontinental Railway project, a majority of governments of Central and South America remained suspicious of Blaine’s brand of Pan-Americanism, and the individual initiatives of the movement, including the Intercontinental Railway project. The strongest opposition to Blaine’s Pan-American efforts came from the South American nation of Argentina, whose delegates worked vigorously to disrupt, delay, and diminish the proceedings of the First International Conference of American States. According to historian Thomas McGann, Argentinian opposition to the Pan-American movement stemmed from the fact the U.S. Trade Commission visited Argentina only spent twelve hours in the country, yet claimed to submit a full report on the countries resources and attitudes towards the United States.¹¹⁴ In addition, Argentina was perfectly fine with their commercial relations with Europe, and saw no reason to entertain policies to encourage economic growth with the United

¹¹³ International American Conference, *Report of the International American Conference Relative to an Intercontinental Railway Line* (Washington: GPO, 1890), 11-12; International American Conference, *Report of Committees and Discussions Thereon, Vol. 1*, 94.

¹¹⁴ Thomas McGann, *Argentina, the United States, and the Inter-American system 1880-1914* (Cambridge: Harvard University Press, 1957), 101-103.

States, especially if the United States continued to maintain a protective tariff that discouraged fair trade with Latin American countries.¹¹⁵ On a number of occasions, the Argentine delegation out-maneuvered the United States delegates, especially during the debates on the adoption of a common silver coinage, a system of arbitration to peacefully and efficiently prevent and end wars in the Western Hemisphere, the creation of a Pan-American Custom's Union, and discussions on the adoption of reciprocity treaties between the nations of the Western hemisphere.¹¹⁶

Once the First International Conference of American States was over, the Argentine delegation turned their attention to the work of the Intercontinental Railway Commission, and continued to push back against U.S. Pan-American interests. The Argentine delegates did not arrive until after the eighth meeting of the Intercontinental Railway Commission, which left them in a weak position to influence the work of the Commission. However, it did not stop them from trying to disrupt and delay the work of the Commission whenever an opportunity arose, nor diminish the project's importance in the eyes of the other Latin American delegations. In fact, the financial troubles of the Intercontinental Railway Commission can be traced back to the stiff opposition the Commission faced from the Argentine delegation, which refused to pay their quota to cover the expenses related to the preliminary surveys of the Intercontinental Railway line.¹¹⁷

The focus of this chapter will revolve almost exclusively around the work of the Intercontinental Railway Commission between 1890 and 1898. This chapter will identify and discuss the challenges that the Commission had to overcome in order to

¹¹⁵ Ibid., 155-156.

¹¹⁶ Ibid., 149-164.

¹¹⁷ Ibid., 132-33.

accomplish its mission and place the second phase in the history of the railway project within a larger historical narrative regarding Latin American perceptions of, and opposition to, the revived and reformed Pan-American movement of James G. Blaine. In the end, it will become clear that the lack of Latin American buy-in into the revived and reformed Pan-American movement of James G. Blaine not only negatively affected the overall perception of the Intercontinental Railway Commission, but it also put the Intercontinental Railway project on the path to failure.

It became evident early on that some Latin American nations were suspicious of U.S. motives for reviving the Pan-American movement. In fact, Matías Romero, the lone delegate from Mexico published an article in the *North American Review* in September 1890 claiming just that. As Romero put it, “it may be assumed that, as a general rule, the Latin-American nations, except, perhaps, the Central American states, and two or three of the South American,” who had already established strong relations with the United States, “looked with distrust on the meeting in Washington of an International American Conference.” Specifically, they feared that the principle object of the Conference was to “secure the political and commercial ascendancy of the United States on this continent” to the detriment of the Latin American nations. However, Romero noted, this “distrust” did not prevent the majority of the Latin American nations from accepting the invitations. In fact, the only country that did not accept the invitation was the Republic of San Domingo, whose government felt that it was unnecessary to be represented in the Conference because it had signed a commercial treaty with the United States in 1884 that had never been ratified by the United States Congress.¹¹⁸

¹¹⁸ Matías Romero, “The Pan-American Conference. I,” *North American Review* 151, no. 406 (September 1890): 356.

Despite their reservations heading into the conference, thirteen nations from North, Central, and South America were in attendance at the opening session of the First International Conference of American States, which was held in the Diplomatic Chamber of the State Department in Washington D.C. on 2 October 1889. Specifically, the governments of Bolivia, Brazil, Colombia, Costa Rica, Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, the United States, Uruguay, and Venezuela were in attendance.¹¹⁹ Notably absent from the opening session, even though they had arrived in time to attend, were the two delegates from Argentina: Roque Saenz Pena and Manuel Quintana, two well-respected and well-versed diplomats, and future Presidents of the country they represented.¹²⁰ Pena and Quintana decided to boycott the opening session of the Conference to protest the decision that James G. Blaine be elected as the permanent President of the Conference, despite the fact that Blaine was not listed as one of the official members of the U.S. delegation and therefore was not eligible, according to the delegates, to hold elected office at the Conference. The other Latin American delegations were willing to overlook this small technicality though, however Pena and Quintana were not willing to compromise until one of the U.S. delegates threatened to resign from his seat so that Blaine could take his place. Instead of forcing the United States to alter the membership of its delegation, and possibly alienate themselves from the rest of the delegations, the Argentine's agreed to remove their opposition to Blaine's election, and not attend the opening session when the election would take place. Instead of faking an illness to explain their absence from the opening session, per typical diplomatic niceties,

¹¹⁹ International American Conference, *Reports of Committees and Discussions Thereon*, Vol. 1, 38-39; *Report of the Intercontinental Railway Commission*, 15. Argentina, Chile, Ecuador, Paraguay, and the Caribbean nation of Haiti would arrive later, bringing the total number of countries represented at the Conference to eighteen.

¹²⁰ Healy, *James G. Blaine and Latin America*, 148.

Pena and Quintana instead rode around Washington in an open carriage in a very public display of protest so that everyone knew what their real motives had been. The Argentine government would later acknowledge that they simply were not “disposed that the international conference at which we were present should be administratively directed by the government of the United States.”¹²¹

The First International Conference of American States continued as originally scheduled, despite the Argentine protest, and railroad development played a central role. At noon on 2 October 1889, James G. Blaine opened the Conference with a short speech, during which he indirectly mentioned the intercontinental railway project as a primary reason for inviting everyone to attend the Conference. Specifically, Blaine stated that in addition to wanting to tie the nations of the Western Hemisphere more closely together by improving communication between them upon the “highways of the sea,” he believed “that at no distant day the railway systems of the north and the south will meet upon the isthmus and connect by land routes the political and commercial capitals of all America.”¹²² To give further incentive for the Latin American nations to assist in railroad development in their respective countries, Blaine ended his speech with a formal invitation for the Latin American delegates to embark on a pre-planned, six-week, 6,000-mile long, railway excursion across the United States that was paid in full by the United States Government.¹²³

¹²¹ McGann, 132-133; E. S. Zeballos to Quintana and Saenz Pena, 28 November, 1889, quoted in McGann, *Argentina, the United States, and the Inter-American System, 1880-1914*, 134; International American Conference, *Reports of Committees and Discussions Thereon*, Vol. 1, 43-44.

¹²² International American Conference, *Reports of Committees and Discussions Thereon*, Vol. 1, 41.

¹²³ *Ibid.*, 42-43; McGann, 134-35.

Unfortunately, the railroad excursion proved ineffective in convincing the Latin American nations to assist in the development of railroads in their respective countries. If anything, the excursion had helped dispel the racist and discriminatory opinions that many U.S. citizens held regarding the character and conduct of the Latin American people. According to Matías Romero, the Latin American delegates viewed the railroad excursion as a bit “barren” and tiresome as most of the delegates in attendance were already familiar with the United States as they served as foreign ministers in Washington, and therefore lived in the United States. For those not familiar with the United States, Romero felt that they could hardly have formed an adequate idea about the country because of how fast-paced the trip was. In the end, Romero noted that the only people who really enjoyed the tour of the United States were “the young men, attachés of delegations, and others who joined it.” In fact, Romero went as far as to say that “if any favorable result grew out of the excursion, it was most likely among the inhabitants of the cities visited by the delegations,” not the Latin American delegates themselves. Not surprisingly, the Argentine delegation skipped the railroad excursion as well.¹²⁴

The Conference reconvened on 18 November 1889, and almost immediately, tensions between the delegations of the United States and Argentina rose. The first major dispute occurred over the fact that the United States had somehow not appointed interpreters for the Conference. When Blaine ordered the minutes of the previous meeting read aloud at the beginning of the November 18 meeting then, the minutes were only read aloud in English and in English only. Immediately, Miguel Quintana, one of the delegates from Argentina, and Emilio Varas, one of the delegates from Chile,

¹²⁴ Matias Romero, “The Pan American Conference. I,” *North American Review* 151, no. 406 (September 1890): 364.

requested that the minutes be read in Spanish as well. At the request of Blaine, Matías Romero, the sole delegate from Mexico, read the minutes in Spanish, however, as soon as Romero finished, Quintana made a motion calling on the Conference to appoint two Secretaries who could speak both English and Spanish. In doing so, Quintana had simultaneously struck an embarrassing blow to the United States for not having appointed interpreters to the Conference, to Blaine, and to Blaine's chief secretary at the Conference, William E. Curtis, whom the Latin American delegates considered *persona non grata* because of remarks he made in a book that he published after his trip through the region when he was part of President Arthur's Trade Commission back in 1884. According to Romero, Curtis had made "several serious errors and uncomplimentary remarks" about some of the South American capitals after having spent only a few hours or so in some of the cities.¹²⁵ Quintana's motion made Curtis ineligible to hold his position since he did not speak Spanish, a fact that Quintana wanted to make known. Blaine ultimately circumvented the Argentine attack by appointing Curtis as "executive officer" of the Conference instead, but the message was clear: the Argentine delegates had come prepared, and were willing to do whatever it took to push back against Blaine's brand of Pan-Americanism.¹²⁶ The next two months consisted of increasing ill will between the United States and Argentina over the simplest of issues relating to parliamentary rules and procedures, and it only got worse once the focus of the Conference shifted to more important topics such as arbitration and currency.

¹²⁵ Ibid., 363.

¹²⁶ International American Conference, *Minutes of the International American Conference*, 18 November 1889, (Washington: GPO, 1890), 17-18; Matías Romero, "The Pan American Conference. I," *North American Review* 151, no. 406 (September 1890): 363-64; McGann, 137-38.

Surprisingly, the discussion of the Report of the Committee on Railroad Communication went fairly smoothly. Aside from a few minor grammatical corrections, and a short discussion on the word “advisability,” the general body of the First International Conference of American States unanimously adopted the Committee’s report on 26 February 1890. The Committee came to the conclusion that “a railroad connecting all or a majority of the nations represented in this Conference will contribute greatly to the development of cordial relations between said nation and the growth of their material interests.” As a result, the Committee recommended the creation of “an international commission of engineers” be created to “ascertain the possible routes, to determine their true length, to estimate the cost of each, and to compare their respective advantages.”¹²⁷

Both U.S. President Benjamin Harrison and his Secretary of State James G. Blaine agreed with the Report of the Committee on Railroad Communication, and pushed Congress to make the appropriations outlined in the report for the creation of and upkeep of the Intercontinental Railway Commission and act on the Committee’s recommendations. On 12 May 1890, Blaine, in presenting the Report of the Committee on Railway Communication to President Harrison, declared that “no more important recommendation has come from the International American Conference,” than the idea of building an Intercontinental Railway system through North, Central, and South America. Furthermore, Blaine anticipated that “prompt action will be taken by Congress to enable this Government to participate in the promotion of the enterprise.”¹²⁸ One week later,

¹²⁷ International American Conference, *Report of the International American Conference relative to an Intercontinental Railway Line*, 11-12.

¹²⁸ “Appropriations on account of the Intercontinental Railway Commission,” *Davis Papers*, Series IX, Box 186; *Report of the Intercontinental Railway Commission*, 17.

Harrison submitted Blaine's report to Congress, and added his own words of encouragement as well. In Harrison's message to Congress, the president acknowledged that "the work contemplated is vast," but assured Congress it is "entirely practicable" considering "how much has already been done in the way of railroad construction in Mexico and South America that can be utilized as part of an intercontinental line." Furthermore, Harrison recommended "Congress make the very moderate appropriation for surveys suggested by the conference and authorize the appointment of commissioners and the detail of engineer officers to direct and conduct the necessary preliminary surveys."¹²⁹ On 14 July 1890, Congress approved the first of three annual appropriations of \$65,000, to cover the quota outlined in the Report of the Committee on Railroad Communication and authorized the President to "appoint three members of the Continental Railway Commission, and to detail officers of the army and navy to serve as engineers under such Commission in making a survey for a continental railway."¹³⁰

Considering that the Report of the Committee on Railroad Communication made it clear that the responsibility of financing, constructing, managing, and operating of the Intercontinental Railway enterprise fell to the private sector, Harrison chose to appoint three men with considerable experience owning and operating railroad lines in the United States. Specifically, Harrison appointed Alexander Cassatt, the president of the Pennsylvania Railroad, Henry Gassaway Davis, the former senator from West Virginia and owner of extensive railroad and other business ventures in the United States, and

¹²⁹ Benjamin Harrison, "Message to Congress Transmitting a Report of the International American Conference Recommending a Survey of a Route for an Intercontinental Railroad," 19 May 1890, <http://www.presidency.ucsb.edu/ws/?pid=71204>.

¹³⁰ "Appropriations on account of the Intercontinental Railway Commission," *Davis Papers; Report of the Intercontinental Railway Commission*, 18.

Richard Kerens, a Missouri railway owner, to represent the United States on the Intercontinental Railway Commission.¹³¹

The Intercontinental Railway Commission held its first meeting in Washington on 4 December 1890, and the United States quickly assumed the leadership role of the Commission. Secretary of State Blaine opened the meeting by expressing his hope that the meeting marked the beginning “of a very great enterprise” that would hopefully “draw closer South America, Central America, and North America; that shall cement in closer and more cordial ties many nations, and be a benefit to the present generation and to millions yet unborn.”¹³² Blaine then got right down to business and appointed three men, one of whom was Henry Gassaway Davis, to serve on the Committee on Organization whose duty it was “to recommend to the Commission the name of some suitable person as permanent president thereof.”¹³³ Shortly thereafter, the Committee on Organization nominated Alexander Cassatt to serve as president of the Intercontinental Railway Commission. The matter was put to a vote, and without discussion, Alexander Cassatt was unanimously elected the President of the Intercontinental Railway Commission. It is worth noting that this simple procedural vote marked the beginning of a forty-two year period in which the chairman of the governing body of the Intercontinental Railway project was from the United States. A Latin American would not serve as chairman of the committee until Juan Briano, an engineer and leading

¹³¹ David Brown, *Southern Outcast: Hinton Rowan Helper and the Impending Crisis of the South* (Baton Rouge: Louisiana State University Press, 2006), 262-263.

¹³² *Report of the Intercontinental Railway Commission*, 19.

¹³³ Intercontinental Railway Commission, “First Meeting,” 4 December 1890, *Minutes of the Intercontinental Railway Commission*, (Washington: GPO, 1891), 4.

delegate from Argentina, succeeded Charles M. Pepper, the last U.S. chairman of the Permanent Pan-American Railway Committee, following Pepper's death in 1933.¹³⁴

From the very beginning, the delegates from the United States actively sought leadership roles on the Intercontinental Railway Commission. The first order of business at the next meeting was the creation of a Committee on Committees, whose mission was to determine what committees were necessary for the Commission to carry out its work.¹³⁵ Of these committees, the Committee on Finance, the Committee on Surveys, and the Executive Committee were the most important. The Committee on Finance oversaw the finances of the entire commission and therefore had the power to determine what could and could not be done by the Commission based off of the financial resources available to the Commission. The Committee on Surveys was responsible for deciding not only the general route of the Intercontinental Railway, but was also how many survey parties would be sent out, how in-depth their surveys would be, and which parts of the proposed route they would and would not be able to survey based off of the limited financial resources available to them. The most important committee though was the five-person Executive Committee, which oversaw the entire project and proceedings of the commission while the survey parties were actually out in the field.

Alexander Cassatt recognized the importance of these three committees and used his position as President of the Commission, and his power of appointment, to further U.S. interests on each of the committees. Davis, in particular, proved useful as Cassatt appointed him to serve as chairman of the Committee on Finance at the seventh meeting

¹³⁴ Intercontinental Railway Commission, "First Meeting," 4 December 1890, *Minutes*, 4; John Caruso, "The Pan American Railway" *The Hispanic American Historical Review* 31, no. 4 (November, 1951): 637.

¹³⁵ Intercontinental Railway Commission, "Third Meeting," 13 January 1891, *Minutes*, 7-8.

of the Intercontinental Railway Commission on 5 February 1891.¹³⁶ Davis' chairmanship on the Finance Committee also allowed Cassatt to invite him to attend several of the meetings of the Executive Committee, despite the fact that Davis was not an official member of that five-person committee. In addition to working with the Executive Committee and chairing the Finance Committee, Davis also served as a regular member of the Committee on Surveys, which consisted of a single delegate from each nation represented on the Commission. With Cassatt serving as an ex-officio member of each committee because he was President of the Commission, the United States had one more delegate than any other nation on both the Committee on Surveys and the Committee on Finance. Cassatt was also chairman of the five-person Executive Committee (a resolution that was suggested by Davis at the eighth meeting), which put the United States in a strong position to dictate the work of the Commission once the survey teams were in the field and the rest of the Commission was on recess.¹³⁷ Strangely, no Latin American delegates made any objections to the U.S. maneuvers.

During the first eight meetings of the Intercontinental Railway Commission, there were very few problems as the Commission went about setting up committees and establishing rules and procedures. That quickly changed when Carlos Agote and Julio Krause, the two delegates from Argentina, finally arrived in Washington in early February 1891, and when the financial problems of the Intercontinental Railway Commission became evident soon after.¹³⁸

¹³⁶ Intercontinental Railway Commission, "Seventh Meeting," 5 February 1891, *Minutes*, 20-21.

¹³⁷ *Ibid.*, 13-22.

¹³⁸ McGann, *Argentina, the United States, and the Inter-American System 1880-1914*, 180-81. According to Thomas McGann, the Argentine Minister in the United States, Vicente Quesada, the man originally pegged to represent Argentina on the Commission, requested that he not be appointed to serve on the Commission so that he could begin his journey to his next post in Mexico. As a result, new delegates had to be appointed and then make the arduous journey from Argentina to Washington.

The Argentine delegates opened up the Ninth Meeting of the Intercontinental Railway Commission on 17 February 1891 with a line of attack they would use throughout the rest of the meetings to criticize the work of the Commission. After the minutes from the eighth meeting were read and approved, Agote took the floor and argued that the appointment of a chief engineer was “premature” as the Committee on Surveys had not yet agreed upon the general route of the railway enterprise, nor taken the time to fully consider all of the options. He felt that this would “take some time” and that the question of appointing a chief engineer could be considered once the Committee on Surveys had better knowledge of the route. In the end, the tactic proved effective as the general body referred the issue back to the Committee on Surveys for further analysis and discussion, who agreed to present a full report to the Commission at the next meeting.¹³⁹

The first real sign that the Intercontinental Railway Commission was suffering from financial problems became apparent when the Committee on Surveys presented their report at the Tenth Meeting of the Intercontinental Railway Commission on 18 February 1891. Upon learning that the person who was expected to accept the position of chief engineer declined the offer because he could not afford to leave the United States for an extended period of time, the Committee on Surveys recommended that “no appointment of chief engineer be made at this time,” in view of the “extensive character of the contemplated enterprise,” the “difficulty and length of time necessary for an engineer to communicate personally with each expedition,” and because of the “limited means that can be disposed of by the Commission for this work.” The Committee also recommended that due to the limited financial resources available for the Commission, “only three survey parties be organized” instead of the seven or eight survey parties that

¹³⁹ Intercontinental Railway Commission, “Ninth Meeting,” 17 February 1891, *Minutes*, 25-6.

the Commission originally planned to send out. The final recommendation of the report called for Cassatt to appoint of a five-person subcommittee of the Committee on Surveys, later named the Committee on Organization of Surveys, who would be responsible for organizing the three different surveying parties.¹⁴⁰

Both the causes and severity of the Commission's financial problems became clear at the Tenth Meeting of the Intercontinental Railway Commission. According to the report of the Finance Committee, the Congress of the United States approved a total of \$130,000 worth of appropriations towards meeting the expenses of the Intercontinental Railway Commission, however no other country on the Commission had paid their quota. The Committee on Finance therefore recommended, "delegates of the countries that have accepted the recommendations of the Pan-American Conference respecting the Intercontinental Railway...communicate with their respective governments in regard to the payment into the United States Treasury of the proportion agreed upon by each of them."¹⁴¹

Benjamin Guirola, the Salvadoran Minister in Washington, sparked a debate when he asked for clarification "as to the exact agreement come to by the countries in regard to this 'quota.'" Guirola argued that each government was to pay "in proportion to its population," as specified by the thirteenth article of the Report of the Committee on Railway Communication that had been adopted at the First International Conference of American States, however, no specific ratio had ever been determined or agreed upon by the First International Conference of American States, or by the Intercontinental Railway Commission. Federico Párraga, a delegate from Colombia, suggested the Committee on

¹⁴⁰ Intercontinental Railway Commission, "Tenth Meeting," 18 February 1891, *Minutes*, 27-29.

¹⁴¹ Intercontinental Railway Commission, "Eleventh Meeting," 24 February 1891, *Minutes*, 31-33.

Surveys estimate the cost of the preliminary work associated with the Commission and then calculate each country's quota based from that estimate. Párraga's suggestion was put to a vote and accepted by the Commission, however, before the Commission moved on to another topic, Cassatt offered up another option, one that did not involve delaying the work of the Commission further. Cassatt quickly calculated a ratio based off of the amount of money that the U.S. Congress had appropriated in relation to the total U.S. population. According to Cassatt's calculations, each country would be responsible for paying roughly \$2,000 for every one million persons who lived in the country. The matter was put to a vote, and unanimously accepted by the Commission, however, despite Cassatt's best efforts, the only country that paid anything towards their respective quota by the next meeting on 4 March 1891 was Chile, which contributed a mere \$3,000.¹⁴²

The Argentine delegates recognized that they could exploit the lack of Latin American financial assistance for the Commission into their line of attack. From the perspective of the Argentine Government, no single nation could be held financially responsible for the expenses related to the Intercontinental Railway Commission if that nation's delegates did not officially participate in the decision-making process of the Commission. At the beginning of the thirteenth meeting then, Carlos Agote, one of the delegates from Argentina, pointed out that the minutes from the previous meeting had not mentioned the fact that "the Argentine delegation had abstained from voting." Agote informed the Commission that the Argentine delegation had received orders from their government to not "involve the Argentine Republic in any expense" and that those orders naturally prevented them from "intervening in any appointment necessitating an outlay."

¹⁴² Intercontinental Railway Commission, "Eleventh Meeting," 24 February 1891, *Minutes*, 31-33; Intercontinental Railway Commission, "Twelfth Meeting" 4 March 1891, *Minutes*, 34-36.

Agote wished to have his full statement included in the minutes of the previous meetings so as to make it clear that the delegates from the Argentine Republic did not take part “in this or any other appointment that may be made.” Davis asked for clarification, stating he “hoped that the declarations of the Argentine Republic did not mean that their government would entirely abstain from cooperating and contributing to the work of the Commission,” but Agote simply replied that “he was not aware of that, but that their instructions were as he had stated them.” No further discussion took place on the matter, and the Argentine delegates again abstained from voting when motions were made during the meeting.¹⁴³

In early March 1891, Miguel Tedín, a member of the Argentine diplomatic core, joined the Argentine delegation and immediately made his presence known at the Fifteenth meeting of the Commission on 24 March.¹⁴⁴ Tedín criticized the decision of the Commission to send out instructions to its survey teams when the Commission had not agreed upon a specific route.¹⁴⁵ Tedín argued a “general line” should be established first, one that indicated “the route and the principal points to be reached and to be studied by the surveying parties” and the reasons “for selecting one route in preference to another.” Tedín called for a complete report on the matter so delegates could take it back to their respective governments for further directions. From Tedín’s perspective, more Latin American nations might be willing to pay their quotas if the Commission was more thorough in its reports.¹⁴⁶ Tedín had found a way to expand on the line of attacks that

¹⁴³ Intercontinental Railway Commission, “Thirteenth Meeting, “10 March 1891, *Minutes*, 37-40.

¹⁴⁴ Bill Karras, “Jose Marti and the Pan American Conference, 1889-1891” *Revista de Historia de America*, No. 77/78 (Jan. – Dec., 1974): 87. Tedín also represented Argentina at the American International Monetary Commission that was still in session at the time of the Fifteenth Meeting of the Intercontinental Railway Commission.

¹⁴⁵ Intercontinental Railway Commission, “Fifteenth Meeting,” 24 March 1891, *Minutes*, 49-54.

¹⁴⁶ *Ibid.*, 55.

Agote and Krause had used prior to his arrival and link them with the financial troubles of the Commission.

Tedín continued his attacks, despite multiple members of the Committee on Surveys defending the work of the Committee, until Alexander Cassatt, the President of the Commission, spoke up and set the record straight. According to Cassatt, “the Committee on Surveys had, at its earlier sessions, prepared a report recommending much more extensive surveys,” conducted by at least seven or eight survey parties. However, when the committee found out “that there would not be sufficient funds for so comprehensive a survey,” they decided to cut down the number of survey parties from eight to three. According to Cassatt, Committee’s hands were tied due to the lack of funds available to the Commission. Cassatt did acknowledge that Tedín’s suggestion concerning a more detailed report was legitimate, and argued that it “should be given careful consideration.” He asked the Committee on the Organization of Surveys to make a more detailed report “explaining the reasoning why only a part of the route was to be surveyed at present, and explaining also how it was expected to complete the surveys.”¹⁴⁷

After three weeks of heated debate and disagreement, the Committee on Organization of Surveys returned with a full report to the commission at the Eighteenth Meeting of the Intercontinental Railway Commission on 14 April 1891. The first part of the report laid out the preliminary route of the Intercontinental Railway line and made note of existing railroad lines that could be integrated into the trunk line and major cities that would be connected in the process.¹⁴⁸ The second part of the report was a “Supplemental Memoir” which explained the reasoning behind the preliminary route

¹⁴⁷ Ibid., 57-58.

¹⁴⁸ Intercontinental Railway Commission, “Eighteenth Meeting,” 14 April 1891, *Minutes*, 73-76.

adopted by the committee. To counter any possible complaints about the completeness or soundness of the report, the committee reminded the commission that they had approached their assigned task by keeping in mind that “the principal object of the projected Intercontinental railway is to unite all the South American countries and to connect, directly, or indirectly, the capitals and principal cities, serving, at the same time, their political and commercial interests.” However, because the Committee did not have “sufficient knowledge of the ground” that would have enabled them “to select the most economical line in regard to construction,” nor sufficient statistical data regarding the “productive importance of each locality,” they had “sought information from the representatives of several countries” but had received very little information in return. In the end, the Committee on Organization of Surveys reminded the Commission that they had done the best that they could considering the financial restraints and general lack of cooperation from the majority of the nations of Central and South America, and acknowledged that they did not pretend to present a “perfect report.”¹⁴⁹ Due to the importance of the Committee’s report, Cassatt postponed all discussion until the nineteenth and final meeting of the general body of the Intercontinental Railway Commission, to be held on 21 April 1891.

Miguel Tedín opened the debate on the Report of the Committee on Organization of Surveys by reading a written statement on behalf of the Argentine government, which laid out his government’s thinking with regards to the Intercontinental Railway enterprise. According to Tedín, the Argentine government found the report of the Committee on Organization of Surveys to be “acceptable in its general features” and found that “the grounds upon which it is based” were “quite reasonable.” As such, they

¹⁴⁹ Ibid., 76-77.

were prepared to vote “in its favor, wishing that what seems now merely an ideal line may convert itself in the future into reality for the good of all concerned.”¹⁵⁰ From the perspective of the Argentine government though, in order for the Argentine railway system to become a part of the Intercontinental Railway line, all that was needed was for “the other American sections” to “stretch out their iron arms.” After all, the existing 9,000 kilometers of railroad lines already in operation within Argentina, as well as those lines under construction, already connected “the principal centers of population and of production” of the country. The delegates of the Argentine Republic therefore believed that their country had already “realized its corresponding proportion of the scheme” and therefore thought it unlikely that the Argentine Congress would “contribute towards the expenses of the surveys of the Intercontinental Railroad.” However, they wished to “express their sincere wishes that this great idea might from its ideality turn into a splendid reality.”¹⁵¹ The Uruguay delegation issued a similar statement to the one made by the Argentine delegation, claiming that there were “no important explorations nor useful surveys that have not already been made in Uruguay.” They felt that if the Intercontinental Railway line were to reach the border of Uruguay, “it would connect with a system of railroads ready to meet it,” therefore, the Uruguay government felt that it did not make sense to essentially “tax its citizens twice” nor “recommend the payment for what has already once been paid” by contributing to the Intercontinental Railway Commission. Countries that already had extensive railway networks simply felt that it was unfair to ask their citizens to pay for the preliminary surveys of a railway line that was to be built in another country. In the end, despite all of the bickering and the heated

¹⁵⁰ Intercontinental Railway Commission, “Nineteenth Meeting,” 21 April 1891, *Minutes*, 87-89.

¹⁵¹ *Ibid.*, 88-90.

debates, the report of the Committee on Organization of Surveys was unanimously adopted.¹⁵²

The close of the Nineteenth Meeting of the Intercontinental Railway Commission set the tone for the work of the five-person Executive Committee for the next seven years. After the Commission unanimously adopted the Report of the Committee on Organization on Surveys, Cassatt asked Davis to report on the finances of the Commission. According to Davis, the Commission only had \$38,353.04 available to pay the survey groups already in the field in Central and South America, and to cover the expenses related to the collection and compilation of their findings into a final report. As a result, Davis had no choice but to ask the State Department to send out instructions to the U.S. Ministers directing them to urge interested governments to pay their quota, which they had promised to pay when they voted in favor of the Report of the Committee on Railroad Communication at the First International Conference of American States.¹⁵³

Once the survey teams were in the field, the financial problems of the Intercontinental Railway Commission became painfully apparent. By mid-December 1891, only five countries, including the United States, Colombia, Chile, Costa Rica, and Brazil, had paid the entirety of, or a portion of, the quotas towards the expenses of the Intercontinental Railway Commission.¹⁵⁴ Four months later, the financial situation of the Commission looked so bleak that Cassatt instructed the survey team in Central America to proceed more speedily with their work, as they were running behind schedule and the Committee was running out of money.¹⁵⁵ Cassatt sent another letter in December 1892,

¹⁵² Ibid., 91-93.

¹⁵³ Ibid., 93-94.

¹⁵⁴ *Report of the Intercontinental Railway Commission*, 29-30.

¹⁵⁵ Ibid., 30-31.

informing the same survey team that “although the Commission fully appreciates the value of such a geodetic survey as you are making,” the funds at the disposal of the Commission were “not sufficient to keep your party in the field for the time required to complete the survey in the manner you propose, and I shall, therefore, have to ask you to carry your line forward more rapidly.” As it were, Cassatt felt that it was likely that the Committee would have to recall the survey teams by 1 May 1893 anyway, whether the teams had finished their surveys or not.¹⁵⁶

The financial situation of the Commission forced the Executive Committee to find other ways to stretch their tight budget. By December 1892, the United States had appropriated a total of one hundred and \$195,000 towards the work of the Intercontinental Railway Commission, while only five Latin American countries had paid their quotas.¹⁵⁷ Despite the fact that Brazil had contributed \$30,000 towards the work of the Commission, the Commission had no plans to send a survey team to survey a single stretch of Brazilian land. This did not sit well with Davis, who suggested that Brazilian territory “should be surveyed in some way, if possible,” since “she had paid more and received less actual return from the work” since “her territory had lain outside of our line of survey.” Davis felt that the Committee had to do something “to show our appreciation of her friendliness towards the enterprise.” Cassatt seemed sympathetic, but pointed out that it would cost more money to survey a line to Rio Janeiro than what the Committee had at their disposal. Cassatt also pointed out that the United States was in the same situation as Brazil as “not a foot of ground had been surveyed upon its

¹⁵⁶ Ibid., 31-35; Ibid., 48.

¹⁵⁷ Ibid., 34. According to Davis’s report, Brazil had paid thirty thousand dollars, the most of any other country other next to the United States. Colombia had contributed four thousand dollars, Chile contributed exactly \$3028.12, and both Costa Rica and Ecuador contributing two thousand dollars each.

territory” despite the fact that the U.S. government contributed \$195,000 towards the work of the Commission.¹⁵⁸ Leffert Buck, the delegate from Peru, suggested sending one of the finished survey teams “down to Brazil to ride over the country and collect information concerning railroad possibilities.” Davis agreed, and even suggested that “he was willing to contribute towards it personally” if the Commission could not come up with the money. Cassatt simply replied, “we will do it if we can,” and left it at that.¹⁵⁹

The Intercontinental Railway Commission not only did not the funds to send survey teams to Brazil, but the Commission also did not have enough money to cover the expenses related to publishing its own report. Cassatt informed the Executive Committee on 10 October 1898 that the “estimated cost of completing the printing of the report, with its accompanying maps and profiles, and its distribution, would require more money than the Commission now had in hand, and that the difference would be between two and three thousand dollars.” Once again, the U.S. Congress came to the rescue, by approving another three thousand dollar appropriation to cover the publication and printing expenses.¹⁶⁰

The additional appropriation from Congress allowed the Intercontinental Railway Commission to publish its final report in early 1898. In total, the three volume report contained roughly 1,884 hundred pages of text and tables, 123 illustrations, 311 maps and profiles, and cost roughly fifty thousand dollars to print. According to the report, the total distance between New York and Buenos Aires was 10,228.06 miles. Of that, 4,771.93 miles of railway lines were already in operation, which meant that 5,456.13 miles of track remained unconstructed between New York and Buenos Aires. The Report

¹⁵⁸ Ibid., 31-35.

¹⁵⁹ Ibid., 34-36.

¹⁶⁰ Ibid., 48-49.

estimated the cost of finishing the remaining 5,456.13 miles of track at \$175,000,000, however, the report acknowledged that it was “highly probable that future studies will reduce the length and lessen the cost stated.”¹⁶¹

The Executive Committee decided how many copies of the report each nation received based off how much each government contributed towards covering the expenses related to the work of the Intercontinental Railway Commission. The United States received the most copies of any country on the Commission since the U.S. Congress had contributed the most. In the end, the United States received one thousand five hundred copies; Brazil received 180; the governments of Colombia, Guatemala, Chile, and Ecuador each received twenty-four copies of the report; and Costa Rica and Bolivia each received twelve copies. In addition, Cassatt agreed to send 20 copies of the report to “the state departments of each of the various countries interested in the Intercontinental Railway,” thus ensuring that the United States, and the republics of Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Colombia, Venezuela, Ecuador, Peru, Bolivia, Chile, Argentina, Brazil, Paraguay, and Uruguay, each received 20 copies of the report to use as they saw fit. An additional 10 copies were sent to each delegate that served on the Commission, as well as other staff that assisted with the work of the Commission.¹⁶²

The Report of the Intercontinental Railway Commission found the proposed Intercontinental Railway system to be practicable from an engineering perspective, and advisable from a business perspective. The political component of the railway project, the Intercontinental Railway Commission, which linked the enterprise to the Pan-

¹⁶¹ Ibid., 150-159.

¹⁶² Ibid., 162c - 164c.

American movement of James G. Blaine proved problematic, but was ultimately effective in bringing the nations of North, Central, and South America together to work on the preliminary surveys of an intercontinental railway system. Despite the best efforts of the Argentine delegation to disrupt the work of the condition, and despite the financial problems that plagued the Intercontinental Railway Commission throughout this period, the Intercontinental Railway Commission was able to accomplish the mission given to it by the First International Conference of American States. However, the Commission would never have been able to overcome the lack of financial contributions from a majority of the Latin American nations had it not been for the generous support of the United States, which in the end, appropriated \$245,000, or roughly 84 percent of the funds collected by the Intercontinental Railway Commission. The remaining \$47,625.43 came from contributions from seven Latin American nations, with thirty thousand dollars of that coming from the contributions of the Brazilian government alone.¹⁶³ The actions of the Argentine delegates during the proceedings of both the First International Conference of American States and the Intercontinental Railway Commission, as well as the lack of financial contributions from Latin American nations towards the work of the Intercontinental Railway Commission, indicated that a majority of Latin American nations were suspicious of the Pan-American movement of James G. Blaine, and the construction of a ten-thousand mile-long railway system through North, Central, and South America. Things only became more difficult for advocates for the Intercontinental Railway when U.S. support for the project dwindled and money became scarce during its third phase.

¹⁶³ Ibid., 161-62.

CHAPTER 4

THE PAN-AMERICAN RAILWAY

Questions over who, or what, would finance the construction of the Intercontinental Railway line dominated discussions involving the railway project during the third phase in the project's history between 1901 and 1916. Most of the members of the five-person Permanent Pan-American Railway Committee, the committee created at the Second International Conference of American States to replace the Intercontinental Railway Commission, initially believed that private investors and private companies would finance and fill in the remaining gaps along the route of Pan-American Railway, as originally envisioned. However, the lack of Latin American enthusiasm for the railway project during the second phase forced the Committee to look at other options. Between 1901 and 1905, some of the Committee members entertained the idea that the U.S. Congress might be induced to finance the railway project, either by itself, or in conjunction with assistance from other governments. When a public relations blunder over the proper size of the Navy involving Andrew Carnegie, one of the members of the Committee, and President Theodore Roosevelt destroyed any chances of the U.S. Congress financing the project, and it became clear that the Committee would receive little to no help from the United States government, the Committee turned to the private sector.

Following the public relations blunder, the U.S. Committee members began to entertain the idea of forming a syndicate, made up of some of the most wealthiest and successful businessmen in the United States, to finance and oversee the construction of the Pan-American Railway. Actively pursuing this option though meant that they would have to abandon all pretenses of international cooperation and connection to the Pan-American movement, unless they did so quietly. As a result, Henry Gassaway Davis, Andrew Carnegie, and Charles M. Pepper, the three U.S. members on the Committee began to work behind the scenes then to form a syndicate to finance and oversee the construction of the northern section of the Pan-American Railway between 1906 and 1910.

When the interested business partners backed out at the last minute because of unsettled financial and political conditions in the U.S. and around the globe, the Committee had no choice but to try and rebuild the project's ties to the Pan-American movement. Doing so proved difficult as the Latin American nations had caught on to the fact that the Permanent Pan-American Railway Committee had not replaced any of the Latin American members on the Committee when they had either retired or passed away, and therefore consisted of only U.S. members. The Latin American nations fought back, and tried to push the International Bureau of American States to add Latin American members to the Committee, but the outbreak of World War I forced everything to be put on hold until after the war.

None of this though would have occurred though had President William McKinley not called for a second international conference to be organized in his Annual Message to Congress on 5 December 1899. To justify the calling of another conference,

McKinley pointed out that the ten-year lease of the International Union of American Republics, which served as a headquarters for the Pan-American movement in Washington, had expired on 14 July 1899. Unless a majority of the members of the Union notified the U.S. Secretary of State that they wished to “terminate the union at the end of its first period,” the ten-year lease of the Union would be automatically renewed. Since the time to terminate had come and gone without any requests from the Latin American nations to terminate it, the 10-year lease was automatically renewed. McKinley, therefore, felt that the calling of another conference was necessary in order to discuss the future of this important international body, and to discuss the “numerous questions of general interest and common benefit to all of the Republics of America,” both new and old.¹⁶⁴ Less than two years later, the representatives of twenty different nations from North, Central, and South America found themselves in Mexico City, Mexico on 22 October 1901 for the opening session of the Second International Conference of American States; the holding of which, not only ensured the survival of the Intercontinental Railway project, but also the survival of the Pan-American movement as a whole.

The influence of both James G. Blaine and Hinton Rowan Helper were evident in the Report of the Pan-American Railway Committee adopted by the general body of the Second International Conference of American States on 27 November 1901. Concerns over European interference in Latin American affairs and inadequate lines of communication between the United States and their neighbors to the south still served as

¹⁶⁴ William McKinley, “Third Annual Message,” 5 December 1899, *The American Presidency Project*, <http://www.presidency.ucsb.edu/ws/index.php?pid=29540>; Joseph Smith, “The First Conference of American States (1889-1890) and the Early Pan American Policy of the United States,” in David Sheinin ed., *Beyond the Ideal: Pan-Americanism in Inter-American Affairs*, (Westport: Praeger, 2000), 30.

the main arguments in favor of constructing an intercontinental railway line through North, Central, and South America. Specifically, the report argued that a future European war would seriously disrupt U.S. - Latin American trade, especially if the “Republics of America” depended solely on water communication to conduct business, as some suggested. However, if the “Republics of America could communicate with each other by rail...the danger from this cause would be minimized.” Blaine would have been pleased that such an argument still held sway almost twenty years later. The report then went on to practically quote Helper when it mentioned that a “letter or express package from Mexico or the United States, intended for some of the South American Republics” actually traveled to Europe before it made its way to its final destination. In short, the committee wished to emphasize that “both rail and water-communication are required for full-growth and development” and that the construction of the Pan-American Railway was the best option for developing the natural resources of the Central and South American countries and in developing closer economic and political ties between the American Republics.¹⁶⁵

In addition to accepting the recommendations of the First International Conference of American States pertaining to the Intercontinental Railway, two other important recommendations came out of the Pan-American Railway Committee’s report. The first major recommendation called for the creation of a new international committee to replace the Intercontinental Railway Commission and assist in the construction of the railway enterprise. The primary purpose of the Permanent Pan-American Railway Committee, as outlined in the Report of the Pan-American Railway Committee, was to “furnish all possible information as to the work of the Inter-Continental railway, and to

¹⁶⁵ James Brown Scott, ed., *The International Conferences of American States 1889-1928*, 14-15.

aid and stimulate the carrying into effect of said project as much as possible.”¹⁶⁶

Specifically, the purpose of the Permanent Pan-American Railway Committee was to collect and publish any and all information that they felt was important to attract private investors and encourage governments to offer incentives to interested parties to construct railroads in their respective countries. Once again though, the responsibility of constructing, managing, and operating the lines that made up the Pan-American Railway line fell to the private sector, and in no way was the Permanent Pan-American Railway Committee ever supposed to oversee the construction of any section of the proposed Pan-American Railway line. Some naysayers argued that this lack of administrative powers severely limited the options that the Permanent Pan-American Railway Committee could explore. According to a 1904 article in the *Mexican Herald*, the purpose of the Permanent Pan-American Railway Committee was to “agitate the project and to take practical steps towards its realization.” However, the only thing that the Committee could do was “to encourage within proper limits the construction of railways in the Latin nations of this continent” or “organize companies themselves” to fill in the gaps because it lacked an “administrative entity.”¹⁶⁷ Before the Permanent Pan-American Railway Committee could explore either of these options though, they needed to find out just how much support the project actually enjoyed in Latin America and to determine how much railroad construction had taken place since the surveys of the Intercontinental Railway Commission.

¹⁶⁶ Scott, ed., *International Conferences of American States 1889-1928*, 18. “Permanent” was added to the name of the new committee to differentiate it from the Pan-American Railway Committee, the committee that submitted the report to the general body at the Second International Conference of American States, and the new committee that was going to continue the work of the conference once the conference was over.

¹⁶⁷ “Pan-American Railway Outlook,” *Mexican Herald*, (14 March 1904), *Davis Papers*, Series 9, Box 146.

The second major recommendation to come from the Report of the Pan-American Railway Committee was the recommendation that the newly appointed Permanent Pan-American Railway Committee would send a “competent and reliable person” to Central and South America “whose duty it shall be to accurately determine the resources of the different countries and the condition of railway lines in operation,” as well as to determine “the existing condition of commerce” and the “prospects for business for an inter-continental line.” This was recommended for the simple fact that it had been almost a decade since the surveys of the Intercontinental Railway Commission were completed. In addition, the report recommended that the representative “ascertain what concessions or assistance each of the respective governments” were “willing to grant to the enterprise.”¹⁶⁸ The report estimated though that of the 10,471 miles needed to connect New York and Buenos Aires, approximately 5,000 miles remained unfinished. Using the generous cost estimate of \$40,000 per mile, the report estimated the total cost of the Pan-American Railway to be no more than \$200,000,000.¹⁶⁹

The original composition of the Permanent Pan-American Railway Committee again favored the United States, however it was not the result of U.S. scheming or politicking. Genaro Raigosa, as President of the Second International Conference of American States, had the power of appointment, and he chose to appoint two representatives from the United States and three representatives from Latin America to fill the five-person Permanent Pan-American Railway Committee. Specifically, Raigosa appointed Henry Gassaway Davis, the chairman of the U.S. Delegation at the Mexican Conference, and member of the original Intercontinental Railway Commission, to serve

¹⁶⁸ Scott, ed., *International Conferences of American States 1889-1928*, 17-18.

¹⁶⁹ *Ibid.*, 16.

as the chairman of the Permanent Pan-American Railway Committee. Raigosa also appointed Andrew Carnegie, the steel magnate from New York and member of the U.S. delegation at the First International Conference of American States, to fill the other U.S. position on the Committee. Raigosa filled the three remaining Latin American positions with ministers and ambassadors that already resided in the United States. Specifically, Raigosa appointed Manuel de Aspiroz, the Mexican Ambassador to the United States, Manuel Calderon, the Peruvian Minister in Washington, and Antonio Lazo-Arriaga, the Guatemalan Minister in Washington, to represent the Latin American nations on the Committee.¹⁷⁰

Once the Mexican Conference was over, the newly appointed Permanent Pan-American Railway Committee wasted no time in conforming to the second major recommendation to come out of the Conference. On 21 January 1903, the Committee began preparations to send Charles M. Pepper, a journalist and member of the U.S. Delegation at the Mexican Conference, on a fact-finding mission to Central and South America as the official representative of the Permanent Pan-American Railway Committee. Pepper's mission was to spend the next ten months visiting a majority of the nations of Central and South America along the route and "determine the resources of the different countries and the condition of the railway lines in operation," as well as the "prospects of business for an inter-continental line," and "what concessions or assistance the respective governments might be willing to grant to the enterprise."¹⁷¹

¹⁷⁰ Senate, Second International Conference of American States, *Message from the President of the United States Transmitting A Communication from the Secretary of State, Submitting The Report, With Accompanying Papers, Of The Delegates of the United States to the Second International Conference of American States, Held at the City of Mexico from October 22, 1901, to January 22, 1902*, 57th Cong., 1st sess., 1902, S. Doc. 330, 14-15.

¹⁷¹ Henry Gassaway Davis, *Pan-American Railway: Reports, Etc.* (Washington: Press of Gibson Bros., 1907), 22-23.

Shortly after the Committee appointed Pepper, the Committee sought the verbal and financial support of President Roosevelt, the State Department, and Congress to further legitimize Pepper's upcoming trip in the eyes of the Latin American nations, and promote the Pan-American Railway project. The Committee was successful on all account as Congress "authorized the appointment of a Commission" and even made a "small appropriation" of \$2,500 to help cover "the expenses of the mission."¹⁷² At the next meeting of the Permanent Pan-American Railway Committee on 5 March 1903, the Committee adopted a resolution that called for President Roosevelt and Secretary of State John Hay to make Pepper an official representative of the United States.¹⁷³ On 11 March 1903, President Roosevelt and Secretary of State Hay acted on the Committee's recommendation and appointed Pepper as Pan-American Railway Commissioner and made him an official representative of the United States of America for his upcoming trip.¹⁷⁴

U.S. Congressional and Presidential support for Pepper's trip was especially important for the Permanent Pan-American Railway Committee, as neither Congress nor President Roosevelt had made any grand gestures to aid in the construction of the railway project since the Mexican Conference revived the project in 1901. Most troubling for the Committee was the fact that Congressional financial support for the Pan-American Railway project had significantly dropped off following the project's revival. The only appropriation that Congress made between 1901 and 1910 was the previously mentioned \$2,500 appropriation for Pepper's trip, and even then, both Davis and Carnegie had to

¹⁷² Ibid., 22-23.

¹⁷³ Ibid., 22-23.

¹⁷⁴ House, International Union of American Republics, *Monthly Bulletin of the International Bureau of the American Republics* 14, no. 4, 57th Cong., 2nd sess., 1903, H. Doc. 310, pt. 4, 1024.

personally contribute \$5,000 of their own money in order to cover the rest of the travel expenses for Pepper's trip.¹⁷⁵ This was in marked contrast to the period between 1889 and 1898, when Congress approved over \$245,000 to cover the expenses related to the work of Intercontinental Railway Commission.¹⁷⁶ Because history showed that the Latin American countries could not be counted on to provide the same level of financial assistance to aid in the construction of the railway line, the Committee focused a lot of their initial effort on trying to shore up Congressional and Presidential support for the Pan-American Railway project.

To further promote the project, Andrew Carnegie made a strong public show of support for the Pan-American Railway project just prior to Pepper leaving for South America. Unfortunately, Carnegie may have ended up doing more harm than good. On 18 April 1903, on the eve of Pepper's departure, Pepper met with Carnegie while he was in New York. During the meeting, Carnegie informed Pepper that he was willing to "act as fiscal agent for the project" and "raise the \$200,000,000 necessary to complete the connecting links" himself, if Congress failed to appropriate the money.¹⁷⁷ Pepper relayed Carnegie's statement, as well as other related topics, to Davis via a letter, who in turn took the letter and distributed it to numerous newspapers across the country for publication.¹⁷⁸ Davis was successful in attracting attention to Pepper's trip and the Pan-American Railway project, but not in the intended way.

¹⁷⁵ Ibid.

¹⁷⁶ "Appropriations on Account of the Intercontinental Railway Commission," *Davis Papers* Series 9, Box 146.

¹⁷⁷ "Interest Revived In the Project for a Pan American Railroad" *Pittsburg Sentinel*, 24 April 1903, *Davis Papers*, Series 9, Box 146; John Caruso, "The Pan-American Railway," *The Hispanic American Historical Review* 31, no. 4, (Nov., 1951), 620.

¹⁷⁸ "A Transcontinental Railroad: The Plan to Unite North and South America by Rail -- Charles M. Pepper's Commission -- Cleveland Leader," *Davis Papers*, Series 9, Box 146.

One article, printed in the *Pittsburg Sentinel* (Carnegie's backyard), made it seem like the steel tycoon was going to fund the entire project himself. The title read "Interest Revived in the Project for a Pan American Railroad: Andrew Carnegie is to Finance the Road."¹⁷⁹ The article reported that during Carnegie's meeting with Pepper, Carnegie expressed that he was "greatly enthused over the scheme" and then "agreed to act as fiscal agent for the project, and raise the \$200,000,000 necessary to complete the connecting links" himself.¹⁸⁰ However, the article left out the part where Carnegie was only prepared to do this if Congress did not make the necessary appropriations first. Carnegie's statement, taken out of context, likely hurt the Committee's chances of obtaining Congressional and Presidential support for the Pan-American Railway project as it only reinforced the idea that the responsibility of financing, constructing, managing, and operating the Pan-American Railway line fell to the private sector, not to the United States Congress; something the Permanent Pan-American Railway Committee had hoped to change.

Pepper's most important observation was that the success of the Pan-American Railway depended largely upon the attitude of capitalists in the United States and the cooperation of the U.S. government.¹⁸¹ As Pepper put it, the construction of the Pan-American Railway represents an "opportunity for the United States to extend its commerce by encouraging railway building in the republics which are its neighbors and friends, and which look to it for guidance." According to Pepper, the Latin American governments had an "earnest desire for the increase of United States investments" in their

¹⁷⁹ "Interest Revived In the Project for a Pan American Railroad" *Pittsburg Sentinel*, 24 April 1903, *Davis Papers*, Series 9, Box 146.

¹⁸⁰ *Ibid.*

¹⁸¹ "The Proposed Pan-American Railroad," *The Railroad Gazette: A Journal of Transportation, Engineering and Railroad News* 36, (June 1904): 425.

countries,” and actually preferred U.S. capital over European capital, as long as it came from “reputable and legitimate companies or individuals.” From Pepper’s perspective, the markets of Latin America were ripe for the picking, and all the United States Government needed to do was provide adequate incentives for U.S. capitalists to build the Pan-American Railway, and the Latin American markets would be theirs.¹⁸²

Pepper’s report also found that there had been considerable progress in railroad construction since the last survey was made. The most significant advances took place in Mexico and Argentina, where their section of the Pan-American Railway line was essentially complete. Pepper also found that other countries were formulating, or like Peru, had already adopted, legislation to encourage railroad construction in their respective countries, either by “establishing guarantee funds” through taxes or by offering “greater inducements for foreign capital to engage in railway construction” in their country.¹⁸³ In the end, Pepper estimated that “about half” of the proposed 10,471 mile long Pan-American Railway trunk line was already in operation, leaving roughly 4,825 miles unfinished, which, according to Pepper’s calculations, would cost roughly \$150,000,000 to finish.¹⁸⁴

Upon returning to the United States in early February 1904, Pepper found that Congress, the State Department, and the President were willing to lend their support to

¹⁸² Pan-American Railway, *Report Submitted to the Secretary of State by Charles M. Pepper, Commissioner to Carry out the Resolution of the Second International Conference of American States, Transmitted by the President to Congress March 15, 1904*, 58th Cong., 2nd sess., 1904, S. Doc. 206, 67-68 (hereafter cited as *1904 Pepper Report*).

¹⁸³ “Pan-American Railway: Commissioner Tells of Proposed Line from New York to Buenos Ayres,” *New York Times* (14 March 1904); “The All-Rail Route to South America: Plans of Different Countries Looking to the Construction of an Intercontinental Railway,” *New York Times*, April 17, 1904.

¹⁸⁴ *Pepper Report*, 55; “The All-Rail Route to South America: Plans of Different Countries Looking to the Construction of an Intercontinental Railway,” *New York Times*, April 17, 1904; “The Proposed Pan-American Railroad,” *The Railroad Gazette: A Journal of Transportation, Engineering and Railroad News* 36 (June 1904): 425; “Pan-American Railway: Commissioner Tells of Proposed Line from New York to Buenos Aires,” *New York Times*, March 14 1904.

the project. On 15 March 1904, Roosevelt submitted Pepper's report to Congress, with a short message in which Roosevelt stated that, in addition to increased steamship service, reciprocity treaties, and the construction of an Isthmian Canal, "the magnificent conception of an International Railroad" that connected "the United States with the remotest parts of South America" was "deserving of encouragement" as it would provide the means through which "the volume of our trade with South America" would increase.¹⁸⁵ In addition, the Senate agreed to publish Pepper's report in the Congressional Record and pay for the printing of several thousand copies of his report, and State Department helped Pepper translate his report into Spanish, so as to give it wider circulation outside of the United States and to show that the U.S. was sensitive to the needs of their predominantly Spanish-speaking neighbors to the south.¹⁸⁶ In addition to securing the support of Congress, the State Department, and the President, Pepper's trip also succeeded in sparking discussion in the business community at home and abroad.¹⁸⁷ At the next meeting of the Permanent Pan-American Railway on 16 April 1904, the Committee rewarded Pepper by voting him in as an official member of the Permanent Pan-American Railway Committee.¹⁸⁸

¹⁸⁵ Quoted in John Caruso, "The Pan-American Railway," *The Hispanic American Historical Review* 31, no. 4, (November 1951), 621-622.

¹⁸⁶ H. G. Davis, *Pan-American Railway: Reports, Etc.*, (Washington: Press of Gibson Bros, 1907), 23. A portion of the copies was distributed at the exhibit of the Bureau of American Republics at the St. Louis Exposition and the rest were given to the Permanent Pan-American Railway Committee to use as they saw fit. House, International Union of American Republics, *Monthly Bulletin of the International Bureau of the American Republics* 16, no. 5, 58th Cong., 2d sess., May 1904, H. Doc. 458, pt.4, 1148-49.

¹⁸⁷ John Caruso, "The Pan American Railway," 622. Caruso quotes a German newspaper article published on May 27, 1905 in which the author argues "There is no doubt Germany faces a crisis in her trading relations with South America. If the proposed railway affording direct communication between New York and Buenos Aires is successfully projected it will leave Germany helpless, despite her regular steamship connection."

¹⁸⁸ House, International Union of American Republics, *Monthly Bulletin of the International Bureau of the American Republics* 16, no. 5, 58th Cong., 2d sess., May 1904, H. Doc. 458, pt.4, 1148-49; Davis, *Pan-American Railway: Reports, Etc.*, 40.

The success of Pepper's trip was cut short when Andrew Carnegie made headlines the following March when he criticized both Congress and the Roosevelt administration at a dinner "in honor of the members of the Permanent Pan-American Railway Committee." Hoping to capitalize on the success of Pepper's trip, Davis decided to put on a dinner at his home in Washington on 15 March 1905 in order to convince Roosevelt and Congress to make a stronger show of support for the Pan-American Railway project. What Davis hoped would be a public relations boon for the Pan-American Railway though instead turned out to be disaster that threatened the future of the entire project.

The controversy surrounding the dinner resulted from a letter that Andrew Carnegie sent in his absence. In the letter, which was read aloud during the dinner, and was thus reported in newspapers the next day, Carnegie argued that "against the big Navy programme, let us put the Pan-American Railway," which "would cost less money in the next twenty years than the temporary navy would cost." He went on to contend that "all navies are temporary," in that they require "enormous sums of money for maintenance" and are not permanent fixtures like railroads. According to Carnegie, if Congress simply appropriated the money necessary to complete the Pan-American Railway, "our weapon of defense," in this case the Pan-American Railway, "would at least be self-supporting, and soon become remunerative." Carnegie even went as far as saying that "if the United States gave the Hundred Million Dollars towards the Railway now spent yearly on [the] Navy," as long as the other participating Latin American nations pledged to cover the other hundred million dollars needed to complete the railroad of course, "we should do more to eliminate the element of danger, which at best is small, than we shall with all the

warships we can build.”¹⁸⁹ The next day, a New York Times article headline read “NO BIG NAVY -- CARNEGIE: Put \$100,000,000 in Pan-American Railway Instead, He Says.”¹⁹⁰

Carnegie, of course, was calling attention to the fact that the annual budget of the U.S. Navy in 1905 was at its highest in U.S. peacetime history, at a little over \$115 million. To put this total into perspective, the total budget of the U.S. Navy in 1898, when the United States was conducting wartime naval operations around the globe, was only \$121 million; a mere \$6 million less than the 1905 budget.¹⁹¹ The biggest difference was that the United States was not at war with another country in 1905, and therefore, in Carnegie’s mind, there was no need to have a war-time Navy during a time of peace. Unfortunately, Carnegie’s remarks concerning the ballooning budget of the U.S. Navy overshadowed the more important part of his argument, which was that he thought that the U.S. Congress should finance a portion of the Pan-American Railway line; a marked break from what both the Intercontinental Railway Commission and the Permanent Pan-American Railway Committee had argued before. With one simple letter though, Carnegie not only destroyed any chance of Roosevelt going out of his way to push Congress to finance the construction of the Pan-American Railway, but he also destroyed any chance of Congress appropriating funds on their own as well.

Davis understood the potential backlash and tried to minimize the damage by downplaying Carnegie’s remarks in the Committee’s report for the Third International

¹⁸⁹ Pan-American Railway, *Remarks of the Chairman, Hon. H. G. Davis, the Diplomatic Representatives of the American Republics, and Others: At the Dinner Given to the Committee in Washington, March 15, 1905* (Washington: Gibson Brothers Press, 1905), 10.

¹⁹⁰ “No Big Navy -- Carnegie: Put \$100,000,000 in Pan-American Railway Instead, He Says.” *New York Times*, March 16, 1905.

¹⁹¹ “Budget of the U.S. Navy: 1794-2004,” *The Navy Department Library*, accessed at <http://www.history.navy.mil/library/online/budget.htm>.

Conference of American States scheduled for July 1906. In the report, Davis mentioned Carnegie's letter, but chose to omit the part where Carnegie railed against the U.S. Navy. As Davis so delicately put it, 'a letter was read from Mr. Andrew Carnegie in which he advocated that the United States should give \$100,000,000 toward the Inter-Continental Railway, conditioned upon the Spanish-American Republics pledging their credit for an equal sum.'¹⁹²

As much as Davis tried though, the damage had already been done. When it came time for President Roosevelt to give his 1905 Annual Message to Congress, Roosevelt respectfully declined to mention the Pan-American Railway in his speech. As Roosevelt put it in a letter to Davis, "I am fully awake to the importance of the All-American Railway, but I do not know quite what can be done about it now." Roosevelt simply had "to deal with so many matters in my message that I do not want to add another unless there is something immediate that I can gain by it."¹⁹³

John Anthony Caruso, one of the only historians to devote individual attention to the history of the Pan-American Railway project, argued that Roosevelt chose not to mention the Pan-American Railway in his Annual Message to Congress that year because he was "primarily bent on securing from Congress an 'emergency appropriation' which would permit the continuance of work on the Panama Canal."¹⁹⁴ Caruso based his argument off of a small paragraph at the end of Roosevelt's 1905 Annual Message to Congress in which he called on Congress to approve an emergency appropriation of \$16.5 million so that the Isthmian Canal Commission could meet its payroll and

¹⁹² H. G. Davis, *Pan-American Railway: Reports, Etc.*, (Washington: Press of Gibson Bros, 1907), 24.

¹⁹³ Theodore Roosevelt to Henry Gassaway Davis, October 31, 1905, *Davis Papers*, Series 9, Box 146.

¹⁹⁴ John Caruso, "The Pan-American Railway," 623-24.

contractual obligations.¹⁹⁵ The issue though was not about money, as Congress had already set aside the money when they passed the Spooner Act in 1902, but about whether or not Congress would agree to disperse the money before the December 15 deadline without holding Congressional hearings into the finances of the Canal project.¹⁹⁶

Another explanation for Roosevelt's denial is that Davis simply waited too long to ask the President to include the railway project in his Message. In a letter written by Secretary of State Elihu Root to Davis on 23 October 1905, Root informed Davis that while he fully agreed with Davis "as to the immense importance and value of railroad communication," it was not likely that Roosevelt was going to grant Davis's request to mention the Pan-American Railway project in his speech, as Roosevelt "already had a draft of his message prepared" and "he finds it much longer than he wishes it to be."¹⁹⁷ Davis had simply waited too long to ask Roosevelt to mention the project in his Annual Message.

However, the more likely reason for Roosevelt's denial is the fact that Roosevelt was planning to speak at great length about the very topic that Carnegie had railed about in his remarks at the infamous Davis dinner back in March. Specifically, Roosevelt argued that there was an "urgent need" to not only add more officers and increase the number of enlisted men in the Navy, but there was a need to also continuously train them,

¹⁹⁵ William Howard Taft to Leslie Shaw, 21 November 1905, in *Annual Reports of the War Department for the Fiscal Year Ended June 30, 1905*, Vol. 1, *Reports of the Secretary of War, Chief of Staff, The Military Secretary, Inspector-General, and Judge-Advocate-General* (Washington: GPO, 1906), 94; Theodore Roosevelt: "Fifth Annual Message," December 5, 1905, <http://www.presidency.ucsb.edu/ws/?pid=29546>.

¹⁹⁶ William Howard Taft, *Annual Reports of the War Department for the Fiscal Year ended June 30, 1905: Vol. 1, Reports of the Secretary of War, Chief of Staff, The Military Secretary, Inspector-General, and Judge-Advocate-General*, 93.

¹⁹⁷ Secretary of State Elihu Root to Davis, 23 October 1905, *Davis Papers*, Series 9, Box 146.

even during peacetime.¹⁹⁸ After Carnegie's remarks, it was politically impossible for Roosevelt to mention both the Pan-American Railway project in a positive light while at the same time arguing in favor of a strong Navy without it hurting him politically; and that was not a risk that Roosevelt was willing to make. Carnegie's remarks had unintentionally made support for the Pan-American Railway appear anti-military, and put anyone in support of the Pan-American Railway project at odds with anyone that supported investing in a strong Navy. Asking Roosevelt to mention the Pan-American Railway project then was a hard sell, as it had the potential to hurt Roosevelt's nationalistic and pro-Navy credentials. As a result, Roosevelt made it explicitly clear in his Annual Message that he was unequivocally pro-Navy when he argued; "to cut down on the Navy... would be a crime against the Nation."¹⁹⁹

Roosevelt's denial, and the subsequent remarks during his Annual Message to Congress, forced the Permanent Pan-American Railway Committee to re-evaluate its position on who would finance the construction of the Pan-American Railway. Up until this point, Davis and the other members of the Committee had hoped that they could convince members of Congress, and perhaps the President, to push legislation through Congress that would fund the construction of the Pan-American Railway line. After Roosevelt's Annual Message though, Davis and the other members of the Permanent Pan-American Railway Committee recognized they had severely damaged their chance of having Congress finance the Pan-American Railway project and had alienated the President in the process. The Committee therefore changed the focus of their lobbying efforts away from the government, and focus on gaining support from within private

¹⁹⁸ Theodore Roosevelt, "Fifth Annual message," 5 December 1905, <http://www.presidency.ucsb.edu/ws/?pid=29546>.

¹⁹⁹ Ibid.

sector. The Committee still sought the verbal support of members of Congress and the President over the next couple of years, but only to help bolster the Committee's new focus of trying to get "big business" to finish the railway project.²⁰⁰

In accord with the new focus of the Permanent Pan-American Railway Committee, Davis wrote an article entitled "The Pan-American Railway: Its Business Side" published in the May 1906 issue of the *North American Review*. Davis hoped to convince Latin American governments to either begin or continue to provide incentives to interested investors wanting to build railroads in their respective country, and to convince investors that there was money to be made from railroad construction, even if it did not appear to be case initially.²⁰¹ From Davis' perspective, if investors and government simply worked together to fill in the gaps along the Pan-American Railway, everyone would benefit.

By June 1907, Davis and Pepper began discussing ways to go about forming a syndicate to finish the Pan-American Railway. The first time either of them acknowledged that a syndicate was a possibility, was in a letter that Pepper wrote to Davis on 26 June 1907.²⁰² In the letter, Pepper argued that Davis' idea of forming a syndicate was entirely feasible, especially considering that "both Mexico and our own country are very much annoyed at the continued disturbances among the Central American Republics."²⁰³ According to Pepper, he believed that it was likely that the Central American Republics "will keep up these disturbances until there is a railroad running from the southern border of Mexico right through Central America to

²⁰⁰ John Caruso, "The Pan American Railway," 626.

²⁰¹ Henry Gassaway Davis, "The Pan-American Railway: It's Business Side," (Washington: Press of Gibson Brothers, 1906), 5.

²⁰² Pepper to Davis, 26 June 1907, *Davis Papers*, Series 9, Box 146, 1.

²⁰³ *Ibid.*, 2.

Panama.”²⁰⁴ As such, he believed there was enough interest in stopping the unrest in Central America, especially from parties in Mexico, that “a syndicate could be formed to acquire the existing Central American Railways and to build the 900 miles that is necessary to fill in the gap between the Southern border of Mexico and the Canal Zone.”²⁰⁵ Being the optimist that he was, Pepper believed that once an American syndicate built the Pan-American Railway line through Central America, ‘the natural result would be that the South American countries would look to the same syndicate to build the links in their borders.’²⁰⁶ All of this though, Pepper argued “would have to be done without publicity until all its plans were matured,” and only after they obtained the support of both Congress and the President.²⁰⁷

Davis’ reply two days later was not very encouraging, but he did not dismiss the idea completely. According to Davis, “present conditions” as they were, were “not favorable” for such an task, as he felt that the “scarcity of money and the uncertainty of the future with regard to financial affairs” would interfere with the formation “of a syndicate of men of the strength and character desirable for so great an undertaking.” However, Davis planned to ask Roosevelt again to mention the Pan-American Railway in his upcoming Message to Congress later that year with the hope that he would be a little more receptive to the idea this time around, and agreed, that “something should be done to secure the endorsement of Congress.”²⁰⁸

On 27 September 1907, Davis wrote to Roosevelt to request that Roosevelt to reference the Pan-American Railway in his upcoming annual message to Congress that

²⁰⁴ Ibid.

²⁰⁵ Ibid.

²⁰⁶ Ibid., 2-3.

²⁰⁷ Pepper to Davis, 26 June 1907, *Davis Papers*, Series 9, Box 146, 3.

²⁰⁸ Davis to Pepper, 28 June 1907, *Davis Papers*, Series 9, Box 146

year.²⁰⁹ Instead of saying no outright, Roosevelt sidestepped the issue by referring Davis to Secretary of State Elihu Root. Not wasting any time, Davis subsequently wrote Secretary of State Root asking for his help, arguing, “A word of commendation by the President would do much to attract, throughout the country, favorable notice to the project, as well as be pleasantly received by the South American representatives and their people.”²¹⁰ And since the administration was working so hard to “increase our friendly and commercial relations with the South and Central American Republics” at this time, Davis believed that the matter was “quite pertinent.”²¹¹

To Davis’s satisfaction, Root agreed to recommend to President Roosevelt that he mention the Pan-American Railway in his Annual Message to Congress in December, but was ultimately unsuccessful.²¹² This last rebuke was enough to convince the members of the Permanent Pan-American Railway Committee to completely abandon any hope of obtaining support from the U.S. Government until Roosevelt was out of office.

Davis spent the next year-and-a-half quietly formulating plans to form a syndicate to construct the Pan-American Railway. He held another dinner in Washington on 9 February 1909 for the members of the Permanent Pan-American Railway Committee, and then immediately traveled to New York to talk to potential investors. Davis met with George F. Baker, the president of the First National Bank, H.P. Davison of J.P. Morgan and Company, and Frank A. Vanderlip of the National City Bank, all of whom initially agreed “to join in building the road.”²¹³ Davis was even successful in obtaining a letter

²⁰⁹ Davis to Roosevelt, 27 September 1907, *Davis Papers*, Series 9, Box 146.

²¹⁰ *Ibid.*

²¹¹ *Ibid.*

²¹² Davis to Pepper, 29 January 1908, *Davis Papers*, Series 9, Box 146.

²¹³ Charles M. Pepper, *The Life and Times of Henry Gassaway Davis, 1823-1916* (New York: Century Company, 1920), 133.

from William Howard Taft, the newly elected President, stating that he was “very much in favor of the construction of the Pan-American Railroad.”²¹⁴

However, despite having received personal and official words of encouragement from both President Taft and Secretary of State Knox, Davis had a difficult time convincing the other potential investors to act upon their verbal commitment. As Davis told Carnegie in a letter dated 26 February 1910, the other members of the syndicate thought that the “times are too much unsettled now and that we better await more favorable conditions.”²¹⁵ In the end, the idea of forming a syndicate fell through. Looking back almost ten years later, Pepper argued “unsettled financial conditions in the United States and uncertainty as to the willingness of Congress to grant a charter of the character desired prevented the cooperation of the capitalists mentioned in taking hold of the project at the time.”²¹⁶ With no hope of forming a syndicate, Davis had no choice but to attempt to rebuild the Committee’s ties to the Pan-American movement and push for its construction at future Pan-American conferences as originally envisioned.

To make matters worse, Davis and the Committee were under heavy fire from Latin American governments over the fact that for the last four years, the Permanent Pan-American Railway Committee did not have a single Latin American member sitting on the Committee. For all practical purposes, the Permanent Pan-American Railway Committee ceased to be Pan-American in nature, as Manuel de Aspíroz, the Mexican Ambassador, had passed away in March 1905, and then both Alvarez and Lazo-Arriaga

²¹⁴ Taft to Davis, 13 January 1910, *Davis Papers*, Series 9, Box 146.

²¹⁵ Davis to Carnegie, 26 February 1910, *Davis Papers*, Series 9, Box 146.

²¹⁶ Charles M. Pepper, *The Life and Times of Henry Gassaway Davis, 1823 - 1916*, (New York: The Century Company, 1920), 133-34.

returned to their respective countries soon after, and none of them were ever replaced by the Committee.²¹⁷

The issue was first brought up at the Third International Conference of American States in 1906 in Rio de Janeiro, when the Conference adopted a recommendation that gave the International Bureau of American Republics the power to increase the membership of the Committee and to replace members if needed.²¹⁸ By May 1910 though, the issue threatened to overshadow what was probably the most in-depth report ever put together by the Permanent Pan-American Railway Committee. Pepper wrote a candid letter to Davis before the Conference, in which he acknowledged that the situation regarding the membership of the Committee was “a somewhat embarrassing one” but one that was ultimately out their hands due to the recommendation adopted at the Rio Conference. From Pepper’s perspective, there were four or five South American countries that wish to be represented on the Committee, but “on account of their jealousies,” it was impossible to recommend one over the other. From Pepper’s perspective, it did not matter anyway how many people sat on the Committee or where they were from, as everything would have to go through Davis anyway, “if a syndicate were actually formed.”²¹⁹

When nothing major failed to materialize at the Fourth International Conference of American States, Davis resigned himself to the fact that the Pan-American Railway would not be completed under his leadership.²²⁰ Davis continued to serve as chairman of

²¹⁷ John Caruso, “The Pan American Railway,” 630-31. There appears to be some confusion as to when the original Latin American members ceased to be members of the Permanent Pan-American Railway Committee. The only thing that is clear is that it had become an issue by the time of the Rio Conference, and remained a problem until after World War I.

²¹⁸ Scott, ed., *The International Conference of American States, 1889-1928*, 43.

²¹⁹ Pepper to Davis, 2 May 1910, *Davis Papers*, Series 9, Box 146.

²²⁰ *Ibid.*

the Permanent Pan-American Railway Committee and continued to hold meetings and make plans for future International Conferences of American States, but he did so without the vigor or enthusiasm he had once shown. Davis's age, in particular, prevented him from completing all of the work that he used to, and he had no choice but to ask Pepper to work out the details of writing reports, responding to letters of interest, and advocating for the Pan-American Railway in general.

The final straw for Davis was when World War I broke out in the summer of 1914. On 26 August 1914, in what would be Davis' last letter written about the Pan-American Railway project, Davis informed Pepper that "under the present depressed conditions in this and other countries, especially in financial circles, there is little interest in Pan-American affairs." In addition, Davis believed that "no money could be raised at present for the railway enterprise," and considering the situation, Davis did "not consider the matter of sufficient importance at this time" to justify him giving money to Pepper to cover the expenses of his latest report following his travels in South America over the previous year. At the end of the letter, Davis wrote, "I leave the whole matter in your hands."²²¹ Less than two years later, on 11 March 1916, Davis passed away at the age of ninety-two.²²²

The third phase in the history of the Pan-American Railway began with the creation of the Permanent Pan-American Railway Committee at the Second Pan-American Conference held in Mexico City, and ended on 11 March 1916, when Henry Gassaway Davis, the first chairman of the Committee, passed away. While it is true that the idea of constructing a Pan-American Railway through North, Central, and South

²²¹ Davis to Pepper, 26 August 1914, *Davis Papers*, Series 9, Box 146.

²²² "Henry G. Davis, Ex-Senator, Dies," 11 March 1916, *New York Times*.

America would survive World War I, U.S. support for the railway project would never again equal what it had during Davis's tenure as chairman of the Permanent Pan-American Railway Committee. Despite the best efforts of Davis, Carnegie, and Pepper, the political and business environment in the United States, and the lack of Latin American cooperation (or even interest in the project), made it impossible for the Permanent Pan-American Railway Committee to obtain the financial and political support it needed to see the project through to completion. It is not surprising that the business community in the United States, and U.S. policymakers for that matter, did not flock back to the project when the Latin American nations revived it after World War I, as they had explored all financial and political options in trying to build the railway during the second and third phase in the project's history, and saw no benefit in trying again.

CHAPTER 5

CONCLUSION

The passing of Henry Gassaway Davis, the first chairman of the Permanent Pan-American Railway Committee on 11 March 1916 marked the end of any significant U.S. involvement in the Intercontinental Railway project.²²³ Ironically, just as the United States withdrew its support of the railway project, after having pushed for its construction for almost three decades, Latin American interest in the railway project peaked. In the absence of American leadership during and after the First World War, and after years of inaction by the Permanent Pan-American Railway Committee, Juan Briano, an engineer from Argentina, attempted to revive the Intercontinental Railway project.

On 26 May 1919, Briano presented a paper at a meeting of *el Centro Nacional de Ingenieros de Buenos Aires* in which he questioned the practicality of the original route of the Intercontinental Railway Commission and proposed a new route in its place. From Briano's perspective, the original route was far too difficult from an engineering standpoint; far too expensive for South American nations to finance; and bypassed too large of a section of the South American continent for it to be useful.²²⁴ As a result, Briano proposed a different route, one that was almost identical to the route proposed by Miguel Tedín at the sixteenth meeting of the Intercontinental Railway Commission back

²²³ "Henry G. Davis, Ex-Senator, Dies," *New York Times*, March 11 1916.

²²⁴ John Anthony Caruso, *Henry Gassaway Davis and the Pan American Railway*, PhD diss., 1949, West Virginia University, 182.

in March 1891, in which the Pan-American Railway crossed the Andes in Colombia, and then followed the eastern ridge of the mountain range in a general east-west direction through Brazil, Bolivia, and Paraguay, before turning south into Argentina.²²⁵ Briano's route proved popular amongst South Americans, as both the Bolivian and the Brazilian delegations echoed Briano's suggestions for an east-west route at the Second Pan-American Financial Conference in January 1920.²²⁶

The Latin American delegates at the Fifth International Conference of American States in Santiago revived the debate over Latin American membership on the Permanent Pan-American Railway Committee and actually won.²²⁷ The Conference adopted a resolution giving the Governing Board of the Pan-American Union the power to reorganize the Permanent Pan-American Railway Committee and to give any nation seeking representation on the Committee, a spot on the Committee.²²⁸ However, despite the re-organization of the Permanent Pan-American Railway Committee, the leadership of the Committee still rested in U.S. hands, as the Pan-American Union appointed Charles M. Pepper as President of the Committee.

The re-organized Permanent Pan-American Railway Committee finally took up the question of the route through South America at a regular meeting of the Committee on 3 May 1927; however the Committee still could not come to a definite conclusion.²²⁹

²²⁵ Intercontinental Railway Commission, "Sixteenth Meeting," 31 March 1891, *Minutes*, 65-66; Juan Briano, "El Ferrrocarril Panamericano y sus nuevas orientaciones," *Ingenieria Internacional* 4, no. 5 (November 1920): 302.

²²⁶ D. F. Houston to Woodrow Wilson, in U.S. Department of the Treasury, *Report of the Secretary of the Treasury to the President on the Second Pan American Financial Conference at Washington, January 19-24, 1920* (Washington: GPO, 1921), 5. The Pan American Financial Conferences were organized so that the American Republics could discuss how to overcome the depressed economic conditions in the region as a result of the war in Europe.

²²⁷ Scott, ed., *International Conferences of American States, 1889-1928*, 275-77.

²²⁸ *Ibid.*, 275-76.

²²⁹ *Ibid.*, 275-76.

In addition to the route proposed by Briano, Verne Havens, one of the U.S. delegates appointed to the Committee during of the reorganization, proposed a slightly different route through South America, and Committee could not decide which was better. To help break the deadlock, the delegates at the Sixth International Conference of American States adopted a resolution that recommended that the Committee organize a “general field study,” of the routes proposed by Briano and Havens in order to determine which route was better.²³⁰ The Pan-American Union created a sub-committee of the Permanent Pan-American Railway Committee to actually study the two routes, but the South American nations still could not come to a consensus about which route was better.²³¹

In 1932, Charles M. Pepper passed away, leaving Juan Briano to take over as President of the Permanent Pan-American Railway Committee. Briano made plans to move the Committee headquarters to Buenos Aires with the hope that it would revive the project, but Briano died before the move took place. For all practical purposes, Briano’s death marked the end of Intercontinental Railway project, as the committee took no further action towards the completion of the project following his death.²³² Finally, in March 1950, the newly formed Organization of American States passed a resolution dissolving the Permanent Pan-American Railway Committee. This formally left the dream of Hinton Rowan Helper, and numerous other advocates of linking the nations of North, Central, and South America together via an intercontinental railway system, unrealized.²³³

²³⁰ Ibid., 384.

²³¹ John Caruso, “The Pan American Railway,” 636.

²³² Ibid., 638.

²³³ Ibid., 638.

In the end, the demise of the Intercontinental Railway project had little to do with the Panama Canal, the Pan-American Highway, or the lack of Latin American financial assistance, as some historians have argued. Rather, the demise of the Intercontinental Railway project had everything to do with the fact that that there existed a disconnect between the vision of how the International Conference of American States intended the project to be completed, and the actual implementation and practical application of that vision in relation to the political and economic realities of the late nineteenth, and early twentieth centuries.

During the second phase in the history of the Intercontinental Railway project, the United States government provided ample political and financial support for the project, but severely underestimated how strong Latin American economic ties were with Europe, and consequently, overestimated how much support the Latin American nations would show to the Pan-American initiatives that were being pushed by the United States. Instead of embracing Pan-American initiatives like the Intercontinental Railway, the majority of the Latin American nations remained suspicious of the project, and some actually actively fought against it. When it came time for the Latin American governments to contribute towards the expenses of the Intercontinental Railway Commission, a majority of the Latin American nations simply chose not to pay, or could not afford to pay, their quotas. The only reason the Commission was able to accomplish its mission was because the United States compensated for the lack of Latin American financial contributions through their own generous financial contributions.

The Permanent Pan-American Railway Committee was not so lucky, as the United States government cut back on both its political and its financial support of the

project. With practically no support from the Latin American nations and little to no support from the United States government, the U.S. members of the Permanent Pan-American Railway Committee abandoned their ties to the Pan-American movement and instead sought the financial backing of the private sector. Unfortunately, the troubled economic conditions in the United States and around the globe, and the continued political unrest in Latin America during the first decade of the twentieth century, proved too risky for some to join a syndicate. As a result, the U.S. members of the Permanent Pan-American Railway Committee had no choice but to abandon the idea of forming a syndicate, and re-adopt the tenets of Pan-Americanism; however the damage had already been done. Soon after, a handful of Latin American leaders began to challenge the leadership of the United States on the Committee.

Ironically, at precisely the same time that Latin American interest in the project peaked leading up to and immediately following World War I, all support for the project in the United States essentially disappeared. The Latin American nations tried to revive the project, and were even successful in tweaking elements of the project to fit their needs, but they were ultimately unsuccessful and nothing of substance came from their efforts.

Ideally, the United States and the governments of the nations of Central and South America would have worked together harmoniously, in the name of international cooperation and hemispheric solidarity, to build an intercontinental railway system that connected the major cities and economic centers of the Western hemisphere. Unfortunately, the way that the International Conferences organized the Intercontinental Railway Commission and the Permanent Pan-American Railway Committee, and how

they envisioned the financing and construction of the railway project happening, never matched the political and economic realities of latter part of the nineteenth, and early part of twentieth centuries. The disconnect between the vision and the practical application of that vision created major organizational and financial challenges that plagued the project throughout its eighty-year history and prevented the project from receiving the financial and political assistance it needed to be completed.

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